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Management

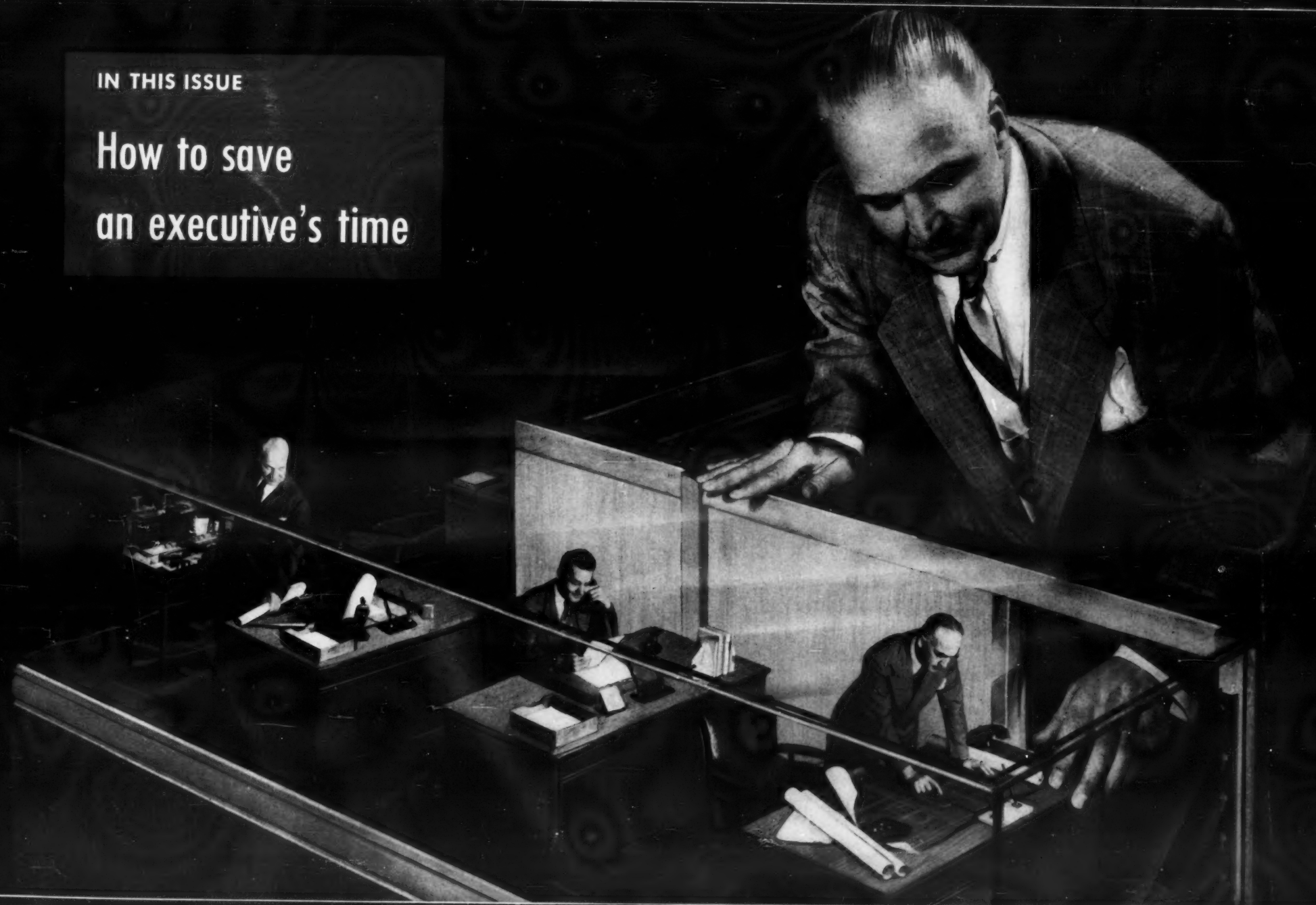
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PRACTICAL SOLUTIONS TO PROCEDURAL PROBLEMS

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How to save
an executive's time

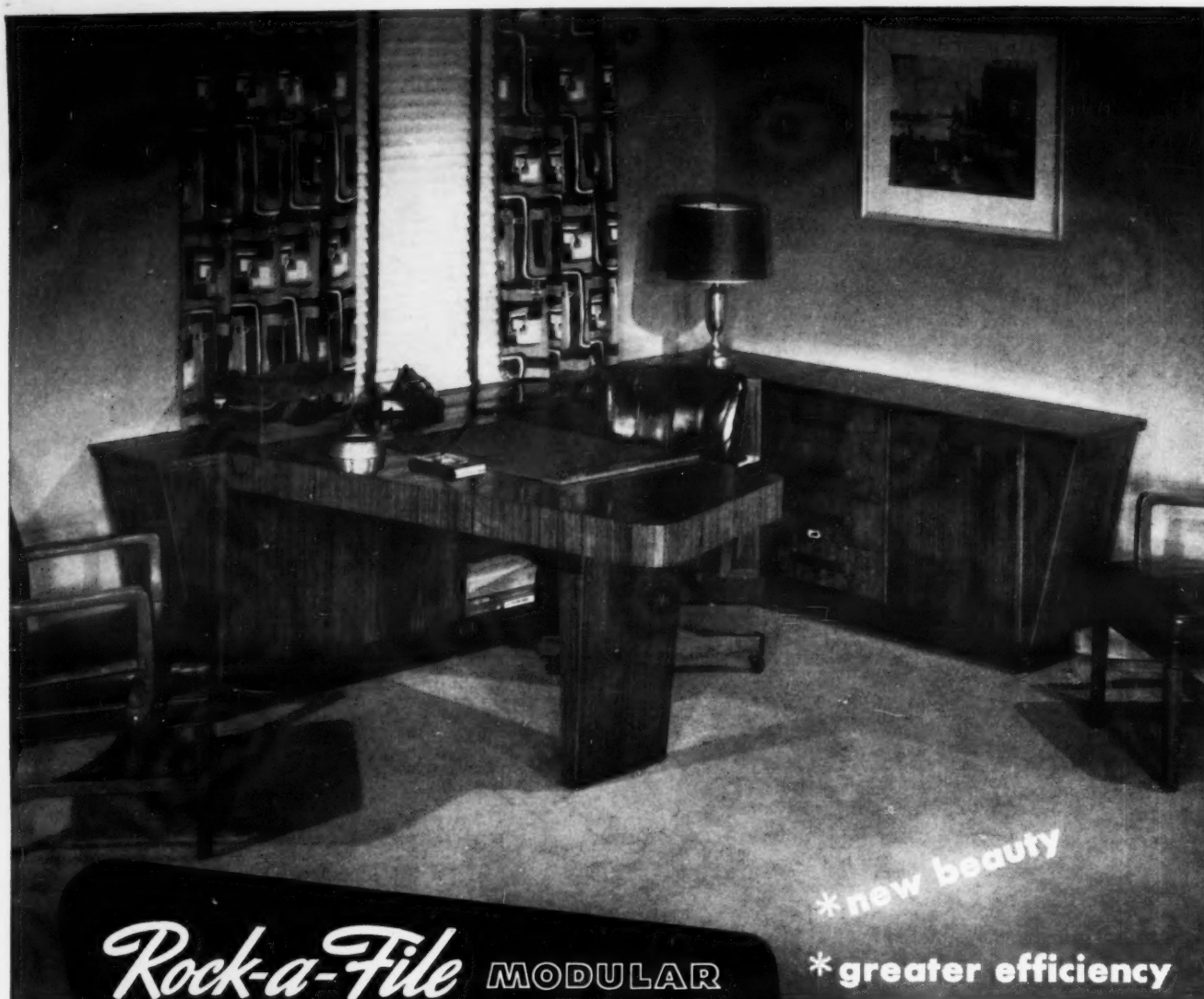


ROUTE To
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EDITOR & PUBLISHER

Jerome W. Harris

GENERAL MANAGER

William S. Kline

ADVERTISING MANAGER

Charles L. Dermott

ART DIRECTOR

Laurence Lustig

PRODUCTION MANAGER

Barbara Burns

CIRCULATION MANAGER

Leonard U. Wilson

CONSULTANT EDITORS

Edmond L. Dupree

Machine Tabulating Bureau
Consolidated Edison Company
of N. Y., Inc.

Lee J. Marino

Assistant Comptroller
Central Savings Bank
New York City

Hubert A. Gerstman

Chartered Life Underwriter
Northwestern Mutual Life
Insurance Co.
Buffalo, New York

William G. Seaman

Certified Public Accountant
New York City

Irvin A. Herrmann

Office Manager
Serval, Incorporated
Evansville, Indiana

Gordon L. Williams

Research Analyst
John Wanamaker
Philadelphia

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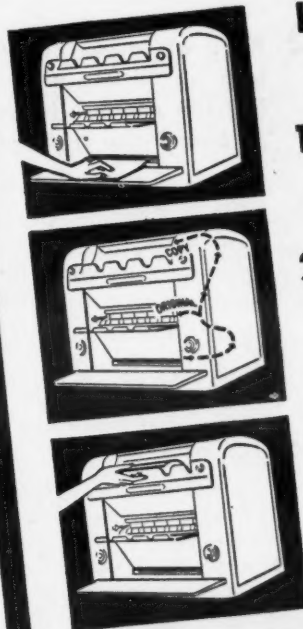


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problems

QUESTIONS TO THE EDITOR

Q. In the November issue of your magazine you stated that green tinted paper is not more restful to the eyes than white. I wonder if you could tell me whether you have any scientific authority for your statement.

A. Dr. Matthew Luckiesh, Director, Lighting Research Laboratory, General Electric Company states the following in his book **READING AS A VISUAL TASK**, "Surprisingly, some of the greenish-tinted papers advocated for eye-comfort and eye-ease have diffuse reflection-factors as high as 77 percent. However, the original paper in these cases, if it were not tinted, would probably have a reflection-factor between 80 and 85 percent. On the other hand, some of the greenish-tinted papers advocated for clerical work have much lower diffuse reflection-factors. This alone casts doubt upon their efficiency in reducing eyestrain and eyefatigue."

♦ ♦ ♦

Q. Very often, in reading a magazine like yours, I'll find an article I want to retain for future use. I tear it out and have it filed. That provides for storage, but too often I forget that I've even filed it. Do you have any suggestions as to how I can maintain a reminder of "ideas" on file?

A. This is a recurrent problem with most businessmen. If you maintain a carefully cross-indexed filing system it is a simple matter to find material on any given subject. Of course, you would have to "remind" yourself—and your problem as you state it is one of remembering that you have some good material stored away. The best solution we've been able to find is one suggested by the Systems Manager of one of the largest manufacturers of filing equipment. It works something like this: when you file an "idea," jot down on a 3 x 5 card the gist of the material being filed. Keep these cards in a small file box on your desk. From time to time—say once a month—shuffle through these cards when you have a few free moments, discard any that are no longer pertinent, and remind yourself of what you have on hand. It's not scientific—but it ought to work.

♦ ♦ ♦

Q. I was very interested in your story on clerical productivity. Can you tell me why you haven't mentioned the names of the companies using the various methods you described?

A. We've had several letters on this subject. Unfortunately, many companies refuse to lend their names to such case histories because they are afraid they will be inundated with correspondence from other companies who are interested. Anytime you want to check on the source of a case history in **METHODS**, please write us and we will be able to give you the supplier's name.

DON'T TELL HIM HE'S TOO
IMPORTANT FOR "DETAILS":
DETAILS ARE THE DIFFERENCE
BETWEEN PROFIT AND LOSS

3063	Cam Shaft Front Bearing	0 12 18 24 30 36 42 48 54 60 66	84 96 108 120 132 144 156 168 180 192
3064	Cam Shaft Front Bearing	0 12 18 24 30 36 42 48 54 60 66	108 120 132 144 156 168 180 192 204 216
3065	Cam Shaft Center Bearing	0 12 18 24 30 36 42 48 54 60 66	132 144 156 168 180 192 204 216 228 240
3066	Cam Shaft Bearing Ring	0 12 18 24 30 36 42 48 54 60 66	156 168 180 192 204 216 228 240 252 264
3069	Time Gear - Large	0 12 18 24 30 36 42 48 54 60 66	180 192 204 216 228 240 252 264 276 288
3070	Time Gear - Small	0 12 18 24 30 36 42 48 54 60 66	204 216 228 240 252 264 276 288 300 312
3071	Cam Shaft Dowel Pin	0 12 18 24 30 36 42 48 54 60 66	228 240 252 264 276 288 300 312 324 336
3072	Cam Shaft Lock Nut	0 12 18 24 30 36 42 48 54 60 66	252 264 276 288 300 312 324 336 348 360
3075	Valve - Standard	0 12 18 24 30 36 42 48 54 60 66	276 288 300 312 324 336 348 360 372 384
3076	Valve Bushing	0 12 18 24 30 36 42 48 54 60 66	300 312 324 336 348 360 372 384 396 408
3077	Valve Spring	0 12 18 24 30 36 42 48 54 60 66	324 336 348 360 372 384 396 408 420 432
3080	Push Rod	0 12 18 24 30 36 42 48 54 60 66	348 360 372 384 396 408 420 432 444 456
3082	Exhaust Manifold	0 12 18 24 30 36 42 48 54 60 66	372 384 396 408 420 432 444 456 468 480
3084	Inlet Pipe	0 12 18 24 30 36 42 48 54 60 66	396 408 420 432 444 456 468 480 492 504
3085	Breather Pipe	0 12 18 24 30 36 42 48 54 60 66	420 432 444 456 468 480 492 504 516 528

How to save an executive's time



Illustrated above is one type of visible record. The visible principle is also available in visible-vertical cards, visibly signalled file folders, wall boards with string and peg devices, and in portable binders.

You're probably sick of being told that an executive shouldn't waste time on details. It's a nice theory—and a flattering one—but it's no way to run a business. One Sales Executive of a big firm puts it this way, "I write about a hundred follow-up letters a week to subordinates throughout our company. I'll admit that many of those letters are about pretty minor matters, things I shouldn't be concerned with in my job. But I'll be damned if I can see any other solution. It's the only way I'm sure that things get done."

Management theorists are right when they say, "Management should *manage* by delegating authority." But this presupposes a high degree of ability among subordinates, and in all but the very largest firms this is usually not the case. Generally the boss can do things better than his assistants. That's why he's boss. He's also boss because he has respected details on his way up. The temptation is irresistible to inject himself into operations, however small, when he knows he has the right answers.

If there's any answer to the problem, it's certainly not one of *avoiding* detail. Rather it's a matter of expediting the manner in which an executive can dispose of the multitude of small chores that need his experienced guidance.

A New Idea—"Management-by-Exception"

The biggest job of any executive is "decision making." Chances are, it absorbs most of his time whether he realizes it or not. For decisions, though they take but an instant, are the sum total of minutes

How Management By Exception Works

This is a typical visible stock control record, showing only the exposed visible margins of the cards. The vertical line shows the "Normal" stock position for each item. When a bar signal is to the left of Normal, it indicates need for replenishing stock. When a signal is right of normal, it indicates an overstocked condition. Note how easily the unusual or exceptional can be seen. It takes but a glance to check the status of dozens of items, with no digging through blind records.

The left side of the visible margins carries a 1—12 scale indicating January through December. The small signals which run over this scale show either month next delivery is due or month when a replenishment order was made.

How to save an executive's time (continued)

and hours of preparatory work. Thus, anything that will reduce preparatory time will reflect itself in greater executive efficiency.

In the last few years a new phrase has crept into the vocabulary of many methods men, "Management-by-Exception." It describes a very simple theory: if a man can safely ignore the usual or average, and concentrate his attention on the unusual or exceptional, he's bound to save time and effort.

Let's take a typical example. You have branch sales offices in 20 cities. At the beginning of the year, you set up a "normal sales expectancy," or quota, for each branch. By mid-year, 15 branches are maintaining quota, three have fallen *below* quota, and two are *over* quota. As a matter of expediency you can ignore the 15 branches that are moving along as you had predicted. In the case of the three *below* quota, it behooves you to dig for facts and figures as to why they have not met the schedules you gave them. In the case of the two *above* quota, you want to make a detailed examination of why they are doing better, just in case they've discovered some tricks you can pass along to your other branches. So, instead of digging into the sales history of 20 branches, you can "ignore" the 15 average ones and apply your time where it's most needed.

How To Use Management-By-Exception

On the following pages you will find some typical management problems with record keeping systems that facilitate the use of this time saving method. Don't look for an exact solution to your needs. Rather consider these case histories as typical of an approach you can use in improving the efficiency of your own operations.

All of the methods shown deal with "visible record keeping." There are literally dozens of manufacturers of such equipment, each with endless variations to fit specific requirements. But the *modus operandi* on each is the same—to visibly chart or signal significant facts so that they may be easily identified and consulted.

Save Time On CREDIT CONTROL

The Secretary and Treasurer of a large machinery and supply company also acted as Credit Manager. Over a period of years, he accumulated valuable information as to the credit standing of many of his company's customers. He kept his information in a series of folders, one assigned to each account. Reference was clumsy and time consuming. More troublesome, however, was the fact that he lacked an easy method for carrying out follow-up action on delinquent accounts. As a result, he personally reviewed each account *each month* in order to dictate follow-up letters when payment was overdue.

To save his time, he installed a visible credit record. A card is now created for each account. On the visible portion of the card a signal is placed over a January through December scale. The signal is always placed over the month of the last unpaid balance. By glancing down the cards, he can spot, in an instant, any account not paid to the current month. He also placed on the visible margin a 1, 2, 3 scale with a separate signal moving over it. This indicates the stage to which follow-up action has been taken. He instructed a clerk, at the beginning of each month, to check the signals and send the pertinent form follow-up letter indicated. He has freed himself of 90% of all of his follow-up effort.

Save Time On

HIRING

The Personnel Manager of a manufacturing firm in New England was having trouble finding certain skills in the tight labor market. Classified advertising brought no results. Since his plant employed over 400 people, he decided to examine the personnel records of each man in the shop to see if any now employed at non-scarce skills had experience with those that were scarce. He was aghast to discover that his personnel files were so poorly set up that it took weeks to analyze the records of all the men.

Immediately upon finishing the job, he designed a new application form which showed each applicant's secondary skills. Now, when a man is hired, these facts are transcribed to a visible record card which shows, on its visible margin, *all* of the skills of each man employed. To select a given skill all he has to do is glance down a series of cards. A colored signal brings his eye directly to the skills he needs without digging through individual file folders, or reading lengthy application forms. As a bonus, he is also able to visibly signal each employee's merit rating, and eligibility for promotion, on the same record. All personnel information is centralized for swift executive analysis with a minimum of time and effort.

Save Time On INVENTORY CONTROL

The Plant Manager of a firm in the midwest had been having difficulty in coordinating his inventory and procurement systems. Each was maintained in a different department. When parts got low, the Production Department, which maintained the inventory record, would pressure the Purchasing Department. The Purchasing Department would then pressure a supplier. The Plant Manager found himself constantly being called in on difficulties between his two departments when Production would allow inadequate lead time for Purchasing to acquire a given item. With lead times varying daily on critical items, the Plant Manager felt he had no overall control.

He installed a new visible inventory control system which *combined* essential facts provided by Purchasing and Production. A visible record card was set up for each item kept in stock. Signals were used to indicate four conditions: Overstock, normal stock, order point, follow-up point (see page 5). A date chart was also used on the visible margin to show, with a signal, the date of last order. When lead time for replenishment changes on any item, the Purchasing Department notifies the Plant Manager and a clerk adjusts the record. A complete picture of inventory and purchasing action is available at a glance. Rush orders have been reduced to a minimum.

Save Time On

PRODUCTION CONTROL

The Production Manager of a large pump manufacturer was dissatisfied with his ability to keep abreast of production scheduling. This was his problem: each pump was assembled from several dozen component parts, some of which were fabricated in his own plant, others of which were subcontracted to outside suppliers. All parts had to come in at an even flow to sustain production schedules. Delay on one part could impede the whole operation. Keeping track of details took almost all of his time, and shortages on a given part were usually discovered too late to keep them from delaying production.

With the aid of his Methods Department, and a business equipment salesman, he developed a new visible production control system which charts graphically the daily production and receipts of component parts, and compares them with total daily output on pump assemblies. In this way, the Production Manager can tell *at a glance* if he's meeting schedules. He can also spot any shortage on a given part in time to take expediting action. He estimates the new system saves not less than three hours a day of his personal time. He's now installing a similar system to handle machine-load scheduling.

Save Time On SALES CONTROL

The General Sales Manager for a company with over 50 branches had a problem of measuring each branch's effectiveness. Since the company sold seven different lines of products, this was a very complex problem. The branches could not be evaluated on the basis of dollar volume alone since it was easy to conceal the fact that a branch had fallen down on a given product line sales, simply because the sales for other product line might obscure the shortcoming. When this man had requested his Accounting Department to give him percentage-of-quota figures by branch, by product line, he found it necessary to spend hours juggling figures in order to come up with a true picture of the sales effort.

He installed a visible sales control system which is housed in a "board" which hangs on the wall of his office. Each branch is listed on a separate line vertically. There is also a listing of each product line's name across the top of the board. Under these names, using signals, he is able to chart each branch's percentage-of-quota sales by product line. A glance shows when one branch is falling behind the average. This executive has completely relieved himself of the need for going over detail facts and figures except when specific attention is needed. A picture of his entire sales pattern can be seen in an instant.

Save Time On PURCHASING

The Purchasing Agent of an electronics manufacturer, working on military contracts, found himself spending too much time on follow-up of suppliers. His old system worked something like this: A folder was set up for each day in the month. All acknowledgments of orders were dropped into the folder for the day upon which the supplier promised delivery. The Purchasing Agent would review each day's folder early in the morning, check with his warehouse to see if the material had been received, and take follow-up action if it had not come in.

He devised a new system with the aid of an office equipment salesman. Under the new method, a special "follow-up" folder is set up for each supplier. Across the top of the folder is a date scale showing month and day. When an acknowledgment of an order is received, it is dropped into the pertinent supplier's folder and the signal is moved to the earliest date on which a delivery is expected. As soon as a delivery notification is received from the warehouse, a clerk moves the signal to the next date on which a delivery is expected. The Purchasing Agent estimates that he has saved at least 50% of the time he used to spend on this daily routine.

Save Time On SALES DIRECTION

The Sales Manager of an electrical company installed a very modern sales control record several years ago. A visible record card was created for every account on the books. At the beginning of each year, he established a quota for each account based on sales in the previous years. On the visible portion of each card he charted, with a colored signal, how much of the yearly quota each account had purchased to date. The signals were moved once a month to indicated progress. At the beginning of each month, it was a simple matter for him to glance down the cards and select instantly accounts where sales were falling off. The time-consuming factor was the need to write letters to his salesmen detailing those accounts on which increased sales pressure was needed.

He now has a photocopy made of each slide in his visible record cabinet. He takes these photocopies, assembling all those for a given sales territory, and makes pen and ink notations and suggestions right on the margin of the photocopy next to each account upon which action is needed. The copies are then sent to the pertinent salesmen for their information. The Sales Manager saves hours of dictating time and each salesman has an up-to-date picture of the status of every account in his territory which he can carry in his brief case.

Save Time On

BUDGET CONTROL

The Comptroller of a large eastern company was having an extremely difficult time controlling the expenditures of the various departments of his company. Each department had several accounts which were allotted specific monthly budgets for operating. Too frequently the manager of a given department would "borrow" from the next month's budget to take care of current expenses. As a result, at year's end, they were often in the position of having over-spent with no more chance to make it up. To keep abreast of activity on several hundred accounts, the Comptroller found it necessary to spend hours pouring over figures.

He installed a visible Budget Control Record. A card was created for each account that carried a budget at the beginning of the year. The visible margin of the card showed a 1 through 100% sale. Over this signal moved two differently colored signals. One signal indicated how much the account was entitled to have spent to date. The other signal showed how much was actually spent. The charting was compensated for accounts with high seasonal fluctuation. The Comptroller can now tell at a glance what departments are exceeding their budget.

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(Any one of them could put you out of business)



1. Do you have the idea your accounts receivable and other business records will always be there when they're needed? Don't be too sure. Many a businessman has discovered, after a fire, that the records he thought safe, were ashes . . . and the business that depended on them, totally ruined.



2. Do you have the idea an old, heavy-walled safe will guard your records from fire? It's a dangerous idea. Old safes without an Underwriters' Laboratories, Inc. "A" Label often act as incinerators when the temperature gets above 350° F. They cremate records.



3. Do you have the idea a fireproof building is a sure-fire protection? Just ask a fireman. You'll find that buildings like this only wall-in an office fire. They actually make it hotter!



4. Do you have the idea your fire insurance would cover all your losses? Take a good look at your policies or ask your insurance broker or C.P.A. You'll find you have to prepare a proof-of-loss statement before you can collect fully. Could you do it—without inventory records?

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Buy Office Equipment Now

By William G. Seaman, C.P.A.

Editors Note: In the following article, Mr. Seaman has touched only on the tax advantages that accrue to the buyer of office equipment. Important as they are, these savings are dwarfed by the clerical savings possible. It is quite commonplace for a new machine or method to "pay for itself" in a matter of weeks or months when it replaces a technique with a high clerical overload.

Internal Revenue Bureau Bulletin "F" allows the taking of depreciation on office equipment and machines. While a composite life of 15 years is allowed for this purpose, it is well to note that specific categories are allowed shorter lives in the case of mechanical equipment, and longer lives in the case of non-mechanical equipment.

Examples of mechanical equipment, and the life allowed for depreciation purposes, are as follows: typewriters—5 years; dictation machines—6 years; billing and bookkeeping machines—8 years; adding and calculating machines—10 years.

Examples of non-mechanical equipment, and the life allowed for depreciation purposes, are as follows: cabinets and files—15 years; chairs—16; desks—20.

In a period of inflation and high taxes, such as the present, it is sensible to invest as much capital as possible in modern office equipment of all types, mechanical and non-mechanical. Under the Revenue Act of 1951, many corporations will be paying a tax of 82 cents on the dollar. Any increase in the taxpayer's provision for depreciation will result in a tax saving of 82%. To put it another way, the net cost to the taxpayer will be only 18%. For example, a group of typewriters costing \$1,000.00 would depreciate at \$200.00 per annum. This depreciation, if not taken, would result in a tax of 82% on \$200.00, or \$164.00. Being taken, this \$164.00 would reduce the cost to the taxpayer to \$36.00 per annum. With the present law holding for five years, the entire cost of the \$1,000.00 in equipment would result in a net cost of \$180.00 to the taxpayer.

Another factor worthy of consideration is that of old, fully depreciated equipment. In almost every case something would be realized upon ultimate sale or trade-in. Such gain would be treated as a capital gain and not as ordinary income. So here again an advantage accrues to the benefit of the taxpayer.

It is also interesting to note that a company in a short cash position can find some tax advantage in buying on time in acquiring office equipment. The interest charges are deductible, thereby almost nullifying the additional cost of this type of financing.

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How to take the RED-TAPE out of purchasing

In a seller's market, it's

important to keep the Purchasing Agent free of routine detail

When a METHODS staff writer was told that Moore Business Forms had revised its purchasing system, he decided to see how well "the shoemaker's children" had fared in applying their stock-in-trade to their own needs. The result can be judged by the reader from the following abbreviated transcript of an interview with Mr. E. W. Noble, the company's General Purchasing Agent:

Q. Mr. Noble, what prompted you to initiate this new system?

A. We had been plagued by the usual purchasing problems—behind in our work, high overtime costs, frequent loss of discounts, excessive paperwork, and some distressing delays in delivery of materials.

Q. How do you attack a job like this? Where do you begin?

A. That's hard to answer. A record system is, basically, a communications system. You don't want it to be unwieldy, but you do want it to be complete. We tried to eliminate unnecessary paperwork, but we also had to be sure that our communications were complete—that everyone concerned knew what was happening. For example, one of our first steps was to revise our "Request for Purchase" form, providing a copy for the Using Department. Previously, the Using Department had no official record that the material had actually been requisitioned. That was caused by the fact that their copy of the Purchase Order was generally retained by the person *authorizing* the requisition. They now get an official copy for the department, which provides a follow-up medium whereby they can keep the heat on the Purchasing Department if supplies are dangerously low.

Q. How many copies are there to your requisition form?

A. Three. The white original is forwarded to Purchasing. A tissue copy is kept permanently in the

Requisitioning Department. And a yellow copy is forwarded to the section from which the request emanated, or to which the material will be delivered upon receipt.

Q. How is the yellow copy used? What would be a typical case?

A. Take our Engineering Department for example. When our Receiving Department delivers material to the machine shop, the yellow copy is returned to the Engineering Department indicating that scheduling of work can continue on a project for which the material is needed.

Q. What do you do about Stores items—items you regularly stock in your own plant?

A. Well, we keep an inventory of about 4000 different items in one plant. We have set up a visible record keeping system to control this inventory. Each item has its own card to which all receipts and withdrawals are posted daily. When the inventory on any one item has reached its pre-determined reordering point, we forward this Stores Control Card to the Plant Purchasing Department in lieu of the regular requisition form.

Q. Do you write up Purchase Orders from that card?

A. No. We have a Purchase Commodity File in Purchasing. In effect, it's a duplicate of our Stores card. But it also shows our preferred vendors and previous purchase history. As soon as we have entered the Purchase Order number and the date on the Stores record card, we return it to the Stores Department.

Q. To get back to your practice of sending your Stores Inventory Control Card to Purchasing as a requisition, isn't that a little dangerous? Isn't it apt to get lost in transit?

A. I don't think so. For the slight danger involved, the advantages are tremendous. We've completely eliminated the necessity for writing requisitions, for example. We write as many as 10,000 such requisitions a year, so you can see the clerical saving. And the specifications are always complete and correct. There is no chance for a copying error.

Q. I think you said that Stores card was a part of a visible record?

A. Yes. The visible margins speed up our reference work and automatically bring re-order points to the storekeeper's attention, without plowing through a lot of folders. We chose a visible system that was portable, too, since it simplifies physical inventories and audits.

Q. How do you handle the purchasing function itself?

A. We seek at least three competitive bids on all purchases other than contract commodities. We have a four-part form for this, which we call our Request for Quotation. This form has many advantages. It's carboned, so one writing permits us to turn out three individually addressed invitations to bid. Because the copies are identical, each bidder is basing his quotation on exactly the same specifications, with no chance for copying errors. It also eliminates voluminous files of correspondence and reduces "price-seeking" preparation time by as much as 66%. Each vendor fills in price and delivery data in the spaces provided, and returns it to us. This information is then listed by the Purchasing Department on their copy of the form.

Q. After you have your quotations back, how do you handle your Purchase Orders themselves?

A. Our Purchase Order is a seven-part carboned form. The vendor gets two copies—the original and an additional Acknowledgment Copy which he returns to us promptly after filling in the shipping schedule.

Q. Are the other five copies exactly the same as the original?

A. No. The carbons are different lengths between these copies. Only information that is pertinent goes on each one. For example, there are some copies on which we do not want confidential price information to be shown. I'd better tell you about those copies. One is filed numerically in the Purchasing Department as a cross reference. Another goes to the Using Department to acknowledge action, and another goes to the Receiving Department. The copy that goes to the General Purchasing Agent, for control, is forwarded to our administrative offices. The Purchasing Department copy, itself, is filed alphabetically by

vendor together with all pertinent papers in a special Purchase Control Folder. This copy provides space for entries such as account distribution, follow-up information, remarks, etc., which do not concern the vendor.

Q. *I guess we've covered everything but the actual receiving of material shipped from vendors. How do you handle that?*

A. The Receiving Department uses a four-part continuous register form. It's called a Receiving Report. One copy goes to the Purchasing Department, another to the Traffic Department with all shipping papers, another to the Requisitioning Department together with the material, and the last is retained by them as a reference file. Incidentally, the Requisitioning Department, when it has inspected the material, sends its copy to the Purchasing Department as an acknowledgment.

Q. *Is there anything we've left out, Mr. Noble?*

A. You might be interested in our Purchase Control File, which I mentioned before. That's the so-called vendor's file I mentioned before. In this single, visibly controlled file folder, we house all papers relative to a transaction. Previously, separate files were maintained for Purchase Orders, invoices, receiving reports and freight bills. By centralizing all these papers in one folder, we don't even have to fasten the papers together until after the transaction has been completed.

Q. *Do you mean you have just one folder for each vendor? Wouldn't that get jammed up after awhile, when the vendor is particularly active?*

A. Of course. There is a lead folder for each vendor. Behind it are filed separate folders for each transaction. Incidentally, the folders behind the lead one have a cut out device which permits the Purchase Order numbers to be read easily without looking into the folder. That saves the manual entry of the Purchase Order number on a folder, and conserves folders too.

Q. *Any more comments, Mr. Noble?*

A. In summary, I can say that we have pretty well eliminated our peak loads and bottlenecks, and also substantially reduced our clerical cost. Of greater importance, we now have the time to concentrate on the purchase of critical materials—do creative purchasing—without worrying about the details of our system.

A complete write up of the Moore system, together with copies of the actual forms they use, is available. Please Circle No. 77 on the reader reply-card bound into this issue.

Incentives will improve your punched card production

Whether it's more work, greater accuracy — or both — these plans work

————— Incentive plans are increasing punched-card production. But, more important, they are improving operator accuracy and cutting down the turnover of capable clerical personnel.

Two approaches to the incentive method of getting better results from this high-speed accounting and statistical control procedure are finding increasing acceptance. One of these is aimed solely at stepping up the operator accuracy percentage. The other shoots for higher production—plus greater accuracy.

Because the punched card (tabulating) method of accounting and other control work is largely automatic machine processes, the incentive program is fairly simple. The one manual operation is that of punching the initial control data into the cards.

With some natural dexterity and a little on-the-job training, a clerk or typist turned punched-card operator should be able to process 10,000 cards (averaging 25 punches per card) a week. But he or she can turn out twice that number without working under back-breaking pressure. That was demonstrated recently by one major user of punched-card equipment whose two dozen operators prepared 2 million cards—in a matter of a few weeks—for an end-of-the-year statistical control project.

This Plan Works

A production-plus-accuracy incentive plan has been worked out by one of the biggest users of punched-card methods in the East, Lit Brothers of Philadelphia. They have five basic pay rates for operators, plus a bonus arrangement for various amounts of production over the weekly minimum. Here is their base rate scale:

Minimum Weekly Production	Weekly Base Rate
10,000 cards	\$26.50
11,250 cards	28.50
12,500 cards	30.50
13,750 cards	32.50
15,000 cards	34.50

When Lit Brothers' operators top the production in whatever their base rate bracket, they are paid at these bonus rates for the excess of required weekly production:

For the first 2,500 cards	10c per hundred
For the second 2,500 cards	15c per hundred
For all over 5,000 cards	20c per hundred

After numerous tests, Lit Brothers' controller, H. S. Draper, found that regardless of speed the operator error percentage could be kept to 1/10 of 1%. That was the figure they got in having the girls punch 23 holes in 100,000 cards, or 2,300,000 punches. In their incentive plan, however, they allow a 1½% error spread, and if that figure is exceeded (it rarely is) an adjustment in rates is made.

Get-ready time and other non-productive work calls for an allowance of one hour a day in the Lit plan.

For Accuracy Only

A big Western central tabulating department, serving public institutions and others, gives preferential pay ratings to operators who process 2,000 cards without error in a five hour test. They report that this preferential rating system keeps their error margin down to ½ of 1%.

This same user of punched-card methods has found economy can be effected by punching two sets of cards and having them compared automatically on an Inter-filing Reproducing Punch. They report they have found this method quicker and less expensive than it would be to verify their punchings from proof sheets.

HOW ABOUT AN "IDEA EXCHANGE"?

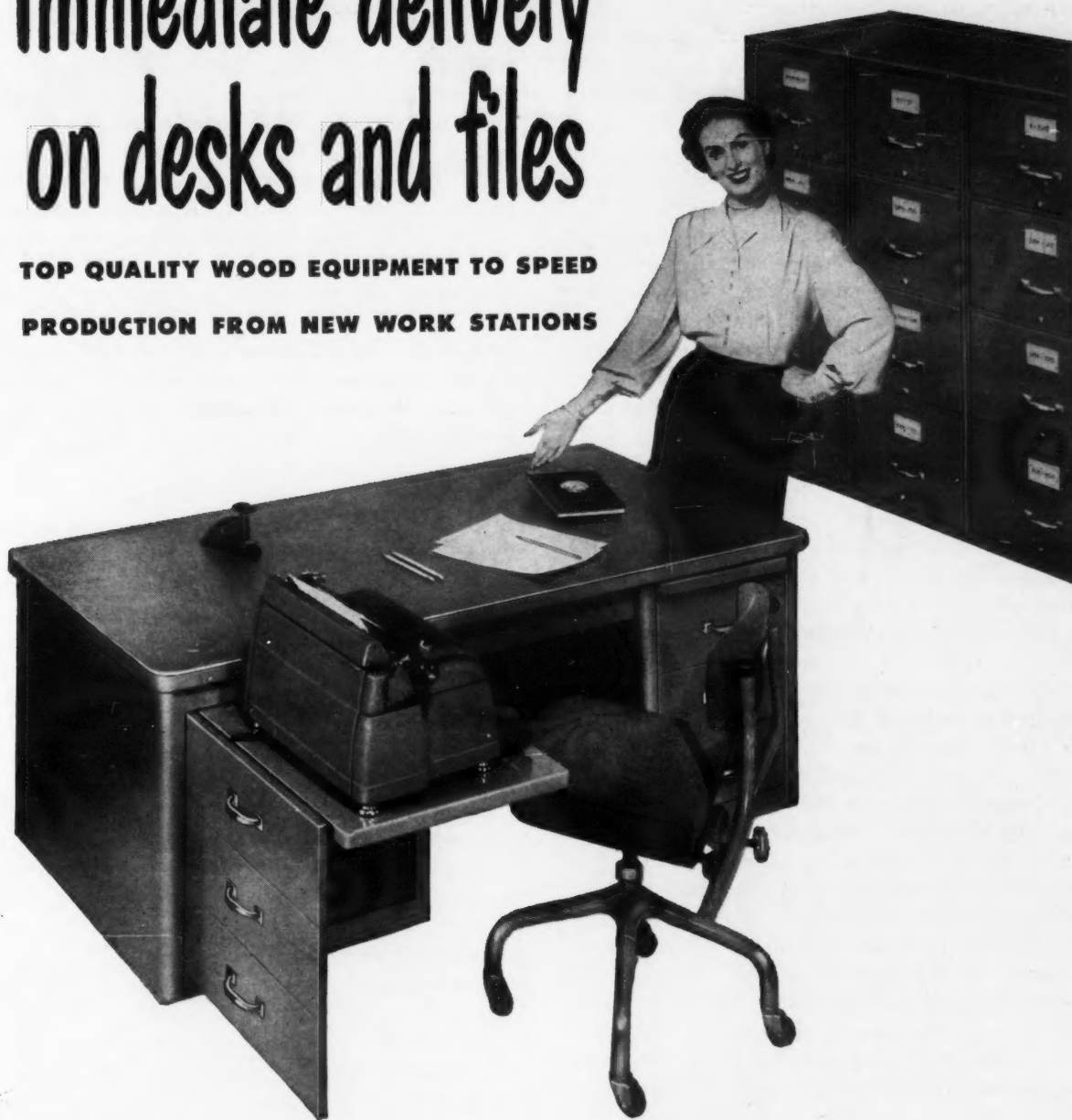
The best source for information about any new method is an actual user. He speaks from experience. He knows of the growing pains that are sometimes felt when a new system is installed. He is the best judge of its effectiveness. For that reason, whenever possible, our articles are tied to a case history.

You may have installed in your own business, in the last few years, a new method that has produced savings in time and money. If so, how about writing us about it so we can pass the benefits of your experience along to other readers? Today, as never before, there is vital need that American businessmen help one another in increasing productivity. We'd like to be one medium for furthering that exchange.

Incidentally, we aren't proposing that you write articles for us. All we need are the facts and figures. Jot them down in pencil or put them in a letter. We'll carry it from there. On any material we use, we would like to reveal your name, but if you feel you might be burdened with too many letters of inquiry, we'll keep the story anonymous.

Immediate delivery on desks and files

**TOP QUALITY WOOD EQUIPMENT TO SPEED
PRODUCTION FROM NEW WORK STATIONS**



IF YOU'RE adding new people in a hurry these days, you don't need to wait for the equipment they need to start producing. Remington Rand can give you immediate delivery on clerical and secretarial desks and the letter and legal size files you need—in attractive Gray-Rite finish that matches present steel equipment.

These new wood units are constructed to give

you long years of efficient service. Files have the same steel suspensions used in top grade Remington Rand steel cabinets. Desks have island pedestals and linoleum tops with aluminum binding. Ask our local representative for a demonstration of these steel-saving units, or write direct to Room 1637, 315 Fourth Avenue, New York 10, New York and information will be sent to you.

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circle 70 for more information

new, free booklets

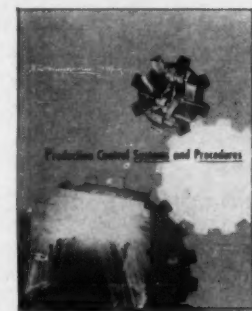
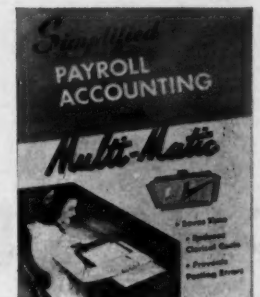
from "THE LIBRARY of BUSINESS EXPERIENCE"

To help you get your office work done faster, better, at lower cost, the Management Controls Reference Library of Remington Rand offers these latest, fact-packed booklets—free to you or to any interested business associate of yours.



"Mechanize Now with The Remington Rand Foremost." The Foremost, with touch-control operation, is the easiest to use of all Accounting Machines. You make 40% to 60% savings in clerical time, because Foremost does more of the work automatically. Remington Rand No. AB 423. Or check No. 51 on the convenient Reader Reply Card.

"Simplified Payroll Accounting with Multi-Matic." Multi-Matic, the simplified method, helps any business, large or small, achieve speed and accuracy at minimum cost. Since all records are written in one operation, you have no copying of entries. Less work. No need to check for accuracy. Remington Rand No. LL162. Or No. 52 on Reader Reply Card.



"Production Control Systems and Procedures." This 56-page study outlines complete, tested procedures for engineering, production planning and progress, for machine load, material and tool procurement and control. They'll help you maintain schedules... meet delivery dates... keep inventories in balance. Remington Rand No. X1268. Or No. 53 on Reader Reply Card.

"An Efficient, Economical Job-Cost System." Booklet gives full details on how Greenfield Tap & Die Corp., as a by-product of its punched-card payroll system, is able to control production efficiency while holding re-work and spoilage costs to a minimum. A double-duty system well worth your while to examine. Remington Rand No. S1719. Or No. 54 on Reader Reply Card.



How to reduce your PHONE BILLS

WHAT IS INTER-COM?

There are three basic types of intercommunications equipment: (1) the familiar public address system; (2) an internal telephone system owned by the user; (3) the push button box type which combines the two way communications feature of the telephone with the paging features of public address.

There are important technical differences in the three types that make it advisable for a potential user to carefully evaluate the best for his needs.

USERS OF INTER-COM ARE FINDING IT'S CHEAPER TO OWN THAN TO RENT

There are two ways to look at Inter-com. First, it's so inexpensive, in most cases, that it will pay for itself almost immediately in reduced telephone bills. Second, and more important, it is so productive of man-hour savings and general operating efficiency that cost should not be a factor in its acquisition.

Let's take cost first. You can have a two-way, two station, desk box system for as little as \$39. Since you probably pay somewhere in the area of \$3 a month for each telephone installed in your office (before toll charges), this simple system could amortize itself in less than seven months. Now let's look at a larger installation. One medium sized firm made a thorough study of the field before installing a 43 station inter-communication system of their own. They did it after a survey proved that 60% of all of their calls were "inside." The system cost them \$16,800. Though the sum is substantial, the company states that they're convinced that the system will pay for itself fully in two years.

So much for cost. The real payoff on any Inter-com system is its effectiveness in use. Here's a simple example. You get a long distance call from a customer who asks you a question that only Joe Smith can answer. You can't use your phone to call Joe because the customer is waiting. So you grab your "inside" phone and dial Joe's department. Without waiting for an answer, you call Joe's name into the telephone. In Joe's department a single loud stroke of a bell is heard, then your voice is heard calling Joe. He picks up his "inside" receiver, automatically disconnecting the loudspeaker. You ask your question privately, hang up, and give your customer the facts. Total time consumed: less than a minute.

Here's another common situation. You're talking to Joe Smith on the "inside" phone. Both of you need additional information from a third party. This time Joe dials the third man while he's still connected with you. The third man picks up his receiver and all three of you are connected on the same line.

Specialized Applications Are Unlimited

The uses to which Inter-com can be applied are limited only by your own ingenuity. The same is true of dollar savings. The General Manager of one large company, with an office staff of over 400 women, reports that outside phone calls by employees were slashed in half when he put in a series of squawk boxes. He saves on toll charges and also in clerical time. He also reports that his company has been able to reduce its number of trunk lines and now receives fewer customer complaints about "busy signals" on incoming calls.

Loading Platform Application

A leading motor freight carrier reports that his company is now able to unload trucks in half the

former time by using Inter-com. In this company, a Checker at a central control station controls up to eight men on the unloading platform. As a man unloads a truck, he calls off the number of each parcel and each consignee's name. Inter-com carries this to the Checker, who is in an office with all pertinent records before him. The Checker compares this vocal information with these records, and vocally assigns route numbers for the Unloader to place on each parcel. The Unloader is relieved of paperwork, cannot lose valuable records, does not know in advance how many parcels are to be unloaded, and doesn't even have to touch the Inter-com speaker in order to call in. As a bonus, the company reports that claims have been materially reduced, since lost or damaged shipments are always completely described on records.

In The Plant

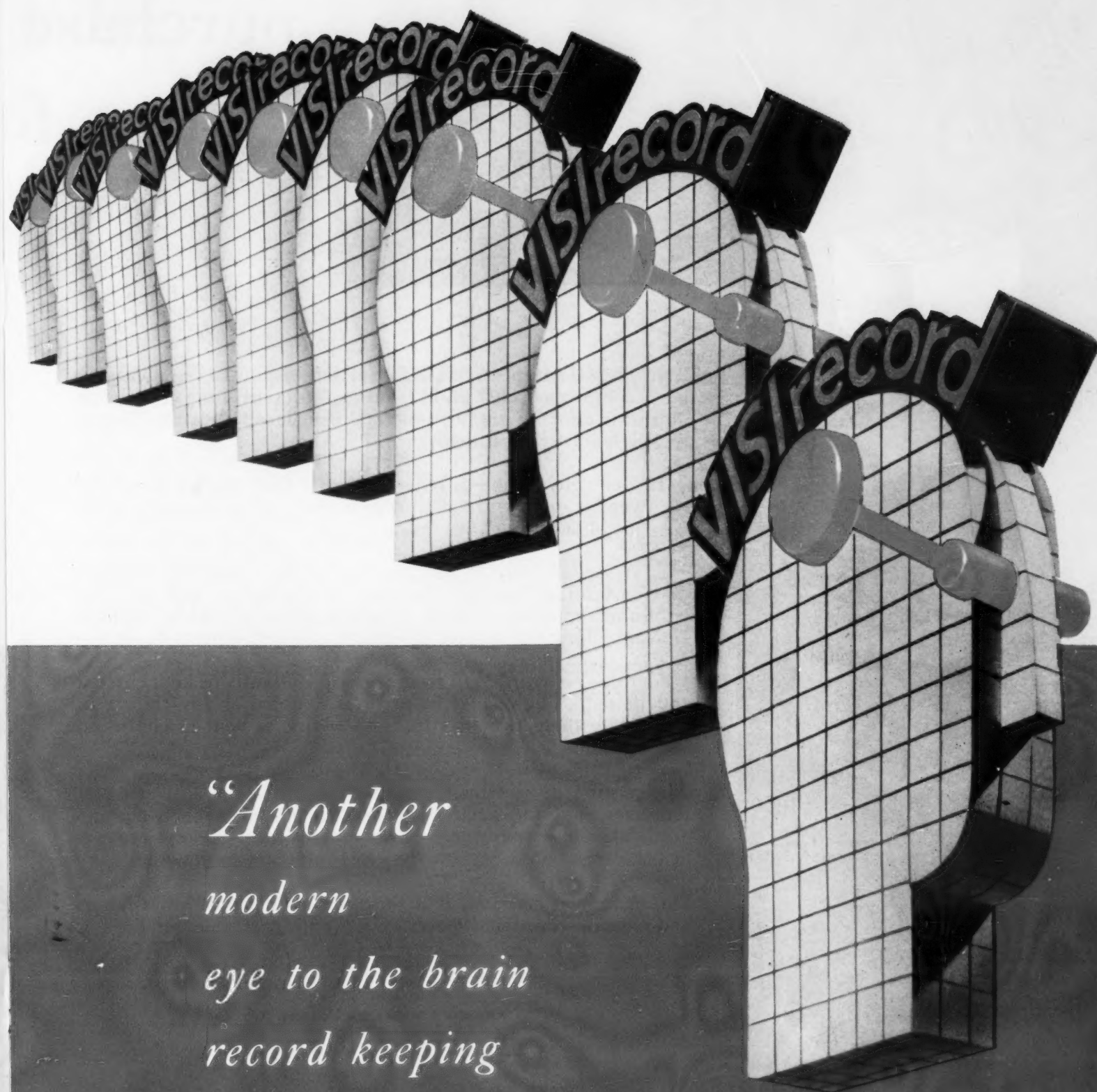
Inter-coms placed at inspection stations within the factory let inspectors notify preceding stations *at once* of faulty manufacture, stopping the process before more products are made. For example, one manufacturer paid for his installation in just twenty minutes thanks to Inter-com! Just after it was installed, the inspector noticed that an automatic machine was out of adjustment, producing unsatisfactory parts. The machine was stopped by voice control after making only three parts. Usually, it would have made at least a dozen before the inspector could have phoned in a stop order. (Inter-coms are also proving very useful in the plant for voice contact where the noise level is so high that ordinary speech cannot be heard.)

Burglary Protection

If your company handles a lot of cash, you may be interested in one retailer's ingenious use of Inter-com. Concealed near each cash register in his store is an Inter-com box with the button left "on". This is connected with a distant monitor which is also kept open. A burglary attempt can instantly be spotted. One famous Protective Service firm in Philadelphia purchased an Inter-com system for normal daytime use some time ago, and then found they could apply it to greatly heightened security at night. Each night, at closing time, all stations are left "on", and the night guard simply monitors them all from a single master station where he is inaccessible to outside intruders.

For More Information

There are seventeen major producers of intercommunication systems. The buyer is urged to consult with several before making a decision. For a list of major manufacturers, check No. 79 on the reader reply-card bound into this issue. Be sure to investigate the service and repair facilities in your locality for the kind you select.



*"Another
modern
eye to the brain
record keeping
accomplishment!"*

VISIrecord . . . "The World's Fastest Visible Record Keeping System!"

PURCHASE

FOLLOW-UP



*one of the
many
important
functions
that*

VISI record
*performs
for the
efficient
operation
of your
business*



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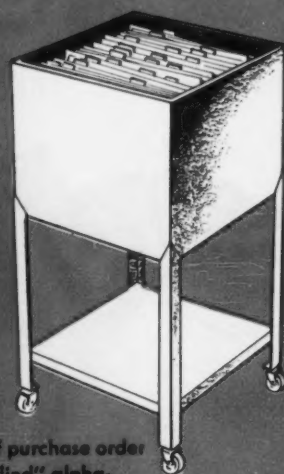
Twelve years of progress

For 25 years the development of the record keeping industry remained latent. Finally in 1939, with war clouds gathering over Europe, the necessity for a more efficient means of recording both machine and hand posted records became apparent. The stage was set for VISIrecord—a compact, space saving, vertical record keeping system, with three visible margins for indexing and control—vertical, diagonal and horizontal. Because of its unique design, VISIrecord provides for tremendous record capacity per square foot—in all cases, more than double that of any other visible card record keeping equipment, thus reducing required floor space and alleviating over crowded office conditions.

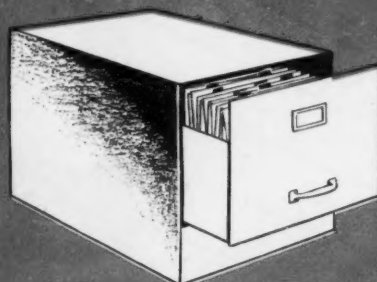
VISIrecord sight-scanning, because of its speed of operation is a tremendous factor in personnel savings and increased productivity. The cards are overlapped in banks, each bank separated by a divider. All the dividers are indexed so the selection of the proper card bank can be made at a glance. This over-all visibility allows one operator to scan over 12,000 records in one hour. As a result of this design the VISIrecord technique of FLIP — PICK — AND POST was developed. With a flip of the finger the proper card bank is exposed, the record can be picked out, posted at desk level, and returned to its proper place. No matter how large the file, four to six records can be selected, hand posted, and returned in one minute, and any record can be picked, removed and replaced in four seconds.

For the first time in the history of the record keeping industry, a visible record keeping system was made adaptable to all types of bookkeeping machines. VISIrecord speeds machine posting operations, as a machine can operate no faster than it can be fed, saving thousands of idle machine hours

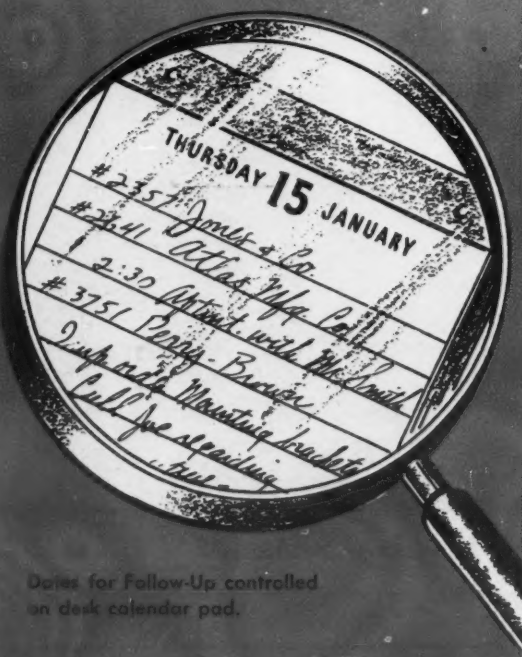
Why do it this way?



Copy of purchase order filed "blind" alphabetically by vendor.



Duplicate File of Purchase Orders by date of Follow-Up, or—



Dates for Follow-Up controlled on desk calendar pad.



purchase of follow-up

Assured follow-up—a MUST function of purchasing, can only be accomplished in "blind" vertical files by time-consuming duplicate effort. Using this method purchase follow-up Control is usually secured as follows:

1. One copy of the purchase order is filed alphabetically by vendor or by purchase order number. This necessitates the use of one filing unit.
2. A second copy of the purchase order is filed by date for easy follow-up—or—the name of the vendor and purchase order number are kept on a desk calendar pad for follow-up. This necessitates the use of a second unit.

Under this system, TWO records must constantly be kept current and posted. The chance of error is doubled as any failure to coordinate these two files leads to errors, as well as confusion and delays.

The posting of receipts, deletion of the files, the answering of inquiries, and the handling of order correspondence become duplicate, slow operations. Two records must be kept current or one record must become the cross reference to the other.

Duplication is costly as it is time consuming, multiplies labor, and requires additional space.

Users of VISIrecord's Purchase Follow-Up System —

Bausch & Lomb Optical Co.
Bell Aircraft Co.
Chevrolet—Buffalo, Div. of GMC
Marshall Field & Co.
Trico Products Corp.

Linde Air Products Company
Moore Business Forms, Inc.
Marlin-Rockwell Corp.
Hammermill Paper Company
Ladish Company

e order follow-up



VISIrecord has no restrictions as to size of form and can be applied to any multiple forms preparation technique, carbon interleaved or duplicating.

With VISIrecord it is only necessary to file one copy of the purchase order by vendor or purchase order number.

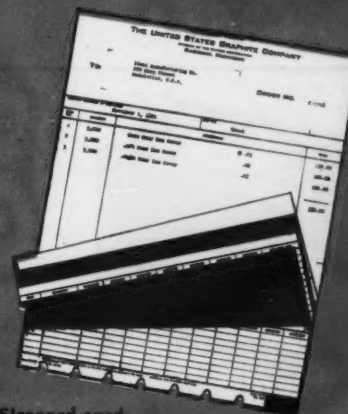
Follow-up is accomplished by sight scanning the *Unique* signaled visible margin of the VISIrecord cards. Scanning can be accomplished at the rate of 10,000 to 12,000 records per hour. It is extremely accurate as every card is easily checked each day—it can't be overlooked because every control is visible.

Because control is on one copy only and because of VISIrecord's fast visible card selection, posting of acknowledgements and receipts, deletion of the files and answering of inquiries is 35 to 50 percent faster than ordinary methods.

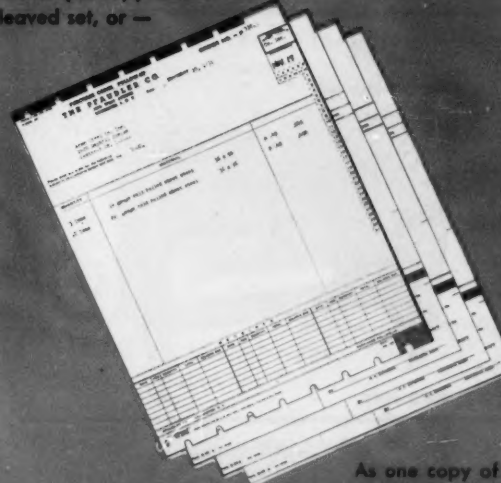
Immediate clearance of correspondence and its summary notation on the record keeps the file uncluttered, prevents loss of important follow-up information, and gives the expediter only one form to handle when making inquiries. One posted record gives a complete summary history of the entire transaction—for fast, accurate reference purposes.

VISIrecord's one simple record does the work of two or three—and does it faster, easier, and in less space.

Do it the VISIrecord way!



A VISIrecord card can be created as one copy of a Multiple-copy carbon interleaved set, or —



As one copy of any duplicating system.

Set in a VISIrecord file, these cards assume VISIrecord's unique Three Dimensional Control —By Vendor, P. O. Number and Follow-up-date.

BAUSCH & LOMB OPTICAL CO.																																																																					
October 15, 1951																																																																					
Ideal Manufacturing Company, 100 Main Street, Middletown, U.S.A.																																																																					
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Acushnet Process Co.

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12 years of progress (cont.)

every year. Also, of great importance in an era of mechanized record keeping, is its adaptability for the posting of summary records by transfer posting from tabulating tapes. All that is necessary is to select a card, remove it, make the posting and return it to the file.

Previous to the development of VISIrecord, the visible record keeping industry had very definite limitations in the design and size of the record card. A card had to be made to fit the size of the equipment. This limitation of the flexibility of card design has been completely eliminated. VISIrecord offers unlimited possibilities of card construction (size and shape), and for the housing of combination records (pocket cards, folded cards, snap-sets, including interleaved carbon—ditto, hecto, etc.) The cards are tailor made to suit the particular operation they are to be used for, and are adaptable to all the various types of VISIrecord equipment. The equipment is so constructed as to allow for effortless expansion or contraction of any card bank by permitting the insertion of new, or removal of obsolete record cards in two to four seconds. The cards resting on a corduroy base are kept in place by aligning rods and can easily be expanded or contracted to the desired capacity. The dividers inside the housing equipment are designed so they can be removed and exchanged at will.

VISIrecord equipment and systems usually pay for themselves in anywhere from two to nine months, by increased productivity and personnel savings. Comparatively speaking, the actual cost per card of a VISIrecord installation is less than the retail price of the paper pocket card used in horizontal tray type equipment. VISIrecord has instituted thousands of dollars of savings to its many thousands of satisfied users.

For further information write to: VISIrecord, Inc., 801 M Second Ave., New York 17, N. Y.

An Independent Survey Made
By the H. P. Gould Company

THE YORK CORPORATION

reports, "We are quite enthusiastic about our experience with VISIrecord. We are certain that we have not exceeded the possibility of additional service, which we are sure will result from a further study and more extended application."

Eight different installations totaling 70,000 records housed in Posting Trays, Junior Posting Trays, Senior Posting Trays, Porta-Trays and Posting Desks are presently in use.

VISIrecord Applications at York Corporation

1. Employees Bond Purchases
6.4" x 10" Card
2. Parts Record
10" x 10" Card
3. Service Records
10"x10" and 5"x8" Cards
4. Inventory Control
6.2" x 8" Card
5. Customer Credit
4" x 6" Card
6. Job Control (Engineering Dept.)
6.4" x 8" Card
7. Contract Cost Record
11" x 11.2" Card
8. Purchase Stock Record
8" x 11" Card

VISIrecord, Inc.
801M Second Avenue
New York 17, N. Y.

circle 67 on reader reply card

16 / methods



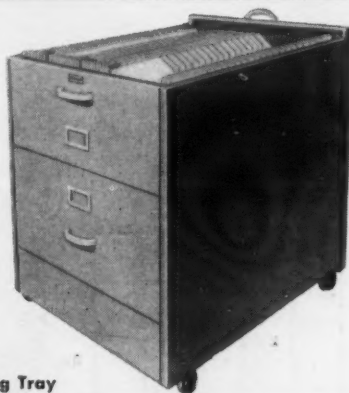
Well Table
and Porta Tray



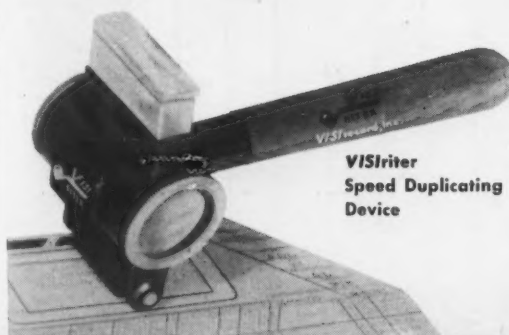
LT1
Junior Posting Tray



LTX
Senior Posting Tray



LT2
Posting Tray



VISIriter
Speed Duplicating
Device

Hand Posting
from Tray



i Level Unit
(open and raised)



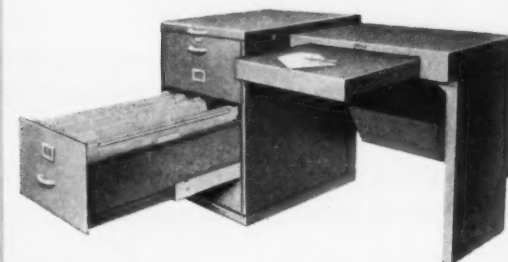
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VISIrecord housing equipment fits your needs. From small portable filing units to large multiple desk applications. Every unit designed to operate efficiently and easily from a seated position with every posting operation at non-fatiguing desk level. VISIrecord can be applied equally well to machine and hand posted records.

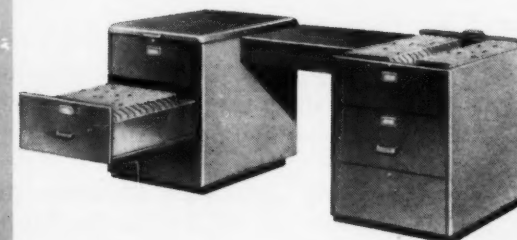
TRIposter, a machine for multiple posting operations, and VISIriter, the marvelous pocket-sized duplicating device, are systems tools available to solve your difficult business problems economically.

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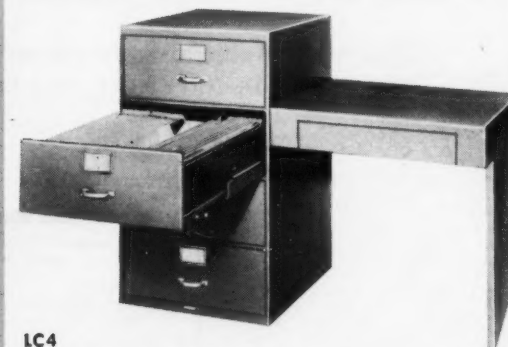
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LTD
Single Posting Desk

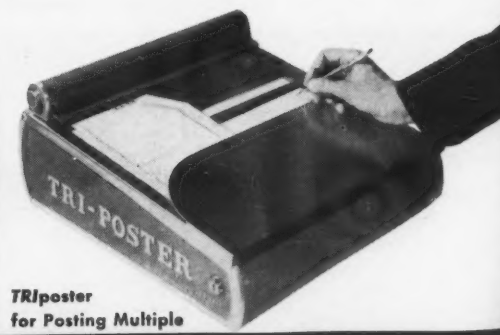
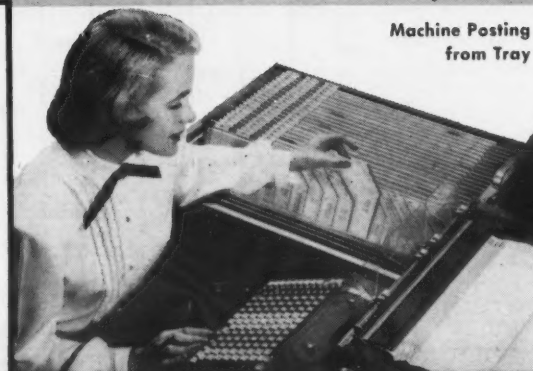


LTD4
Double Posting Desk



LC4
Single Counter Height

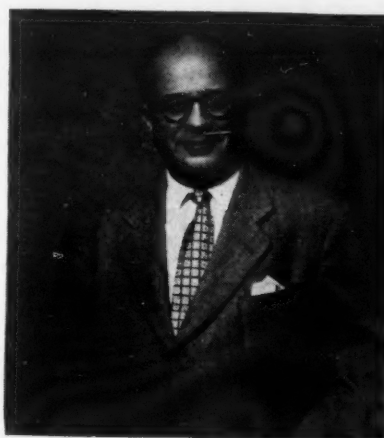
Machine Posting
from Tray



TRIposter
for Posting Multiple

THIS MONTH'S EXPERTS

The Klein Institute for
Aptitude Testing, Inc.
New York 17, New York



Jack Klein

Best evidence of the stature of the Klein Institute is the respect and authority it commands among the nation's top sales executives. Numbered among its clients are some of the biggest names in American business. They retain the Institute on a continuing basis for other than assistance in sales personnel selection. But it is in this specialized field that the Institute has won special recognition.

How to select a salesman

DON'T DEBUNK PSYCHOLOGY: IT HAS PROVED THE BEST WAY TO REVEAL SALES APTITUDE

A LARGE MANUFACTURER snapped up Salesman Jones when his company dropped its soft goods line. He had been their competitor's crack man for eighteen years. In light of past performance, his new employers expected a boost in sales. He disappointed them. His record after the first six months was poor and, worse, he was undermining the morale of the other salesmen. Unfortunately, Jones couldn't forget his former job. He was still "working" for the old employer, for his expressed attitude every day was, "When I was with X, we always did it that way." He even managed to convey to customers the impression that the new line he was selling was inferior to his old one. Salesman Jones proved a costly mistake. Was it one that could have been prevented?

Test For Aptitude

Jones' new employers are clients of the Klein Institute of Aptitude Testing. Jones was employed without testing, however, and only later was tested in a routine study of sales force patterns. The Institute reported, *on the strength of his aptitude test only*, that although he showed excellent sales aptitude and powerful personality, he lacked trainability, adjustability, and adaptability. The report indicated that the Institute would not have recommended hiring.

This is no random case history. In case after case, Klein has been able to prove that his methods will reveal those hidden failure traits that won't show up in interviews, application blanks, and reports from former employers.

Here's a verbatim report from an-

other well known Klein client: "We took fifteen men: five of our best, as we rated them; five of our poorest, and five in the middle. We codified them by letter, and sent them to Klein, and he came back with his analysis. We were amazed to find thirteen of the fifteen ranged and rated just as we had done it. We couldn't agree on two. As things finally turned out, we were right on one of those two, and they were right on the other." In other words, Klein could tell, without prior knowledge, what the company could learn only through actual field experience.

Here's another case. The Klein Institute recommended the employment of a salesman with the reservation that the company carefully check his health. Their tests indicated potentially disturbing *emotional* factors. Everything else indicated a superlative prospect for the job. The man was hired, but was given only a routine medical examination. A casual check with his former employers provoked a perfunctory answer that "his health seemed to be all right." A week after he was hired, the man had to go to the Mayo Clinic for treatment of ulcers. The company's failure to take the Klein report advice cost them six months' salary for this man.

How The Klein System Works

The particular province of the Institute is aptitude testing, but for many clients they supply the questions for a personal interview, as well as the application blanks to be filled out by the salesman prospect. Since the interviewing is always done by the company, these questions are most important. They differ from the or-

dinary in that they employ a probing "projective" technique, which is designed to make the applicant say more about himself than he might in answer to a direct question. Institute manuals direct the evaluating of the answers. These manuals list certain "knockout" characteristics, factors they feel disqualify a man for any responsible position. They also suggest other factors that bear on the man's qualifications for the particular work for which he is being tested.

The interview probes *attitudes*, and the application blank gets *facts*. If the company is satisfied with the results in each case, he is then asked to take a battery of *aptitude* tests. This is the point at which the Klein organization makes its greatest contribution. Here, *the point at which the company would ordinarily hire the man and hope for the best*, the Institute takes the gamble out of hiring.

Fit The Man To The Job

In a day of clerical time study and measured productivity—now being criticized by human engineers who say that men cannot be evaluated as machines—the Klein method is a scientific affirmation of these accusations. Klein's aptitude tests are not based on a numerical count of right or wrong answers. The analyst who studies the answers knows what kind of job the applicant is seeking, and what particular characteristics are required for success in that job. The answers reveal to him whether the testee has the traits which research, study, and experience have proved to be vital in that particular position. The Institute makes its recommendation on that basis, and a full report is furnished within 48 hours. (over)

A Typical Klein Report

The value of the Institute's tests is not confined to the selection of new salesmen only. It is often very effective in searching out strengths and weaknesses in the present sales staff.

For example, Salesman Smith sold packaged goods in a broken-up, tough territory. He did a fair job at the start, but over a period of five years in that territory his productivity deteriorated steadily. The company was ready to fire him. About this time, the Klein Institute aptitude-tested the whole sales force. One "shock" was: Salesman Smith, virtually on his way out, was rated as a good sales potential. The report did reveal one psychological failure trait which could negate a successful potential—there appeared to be a tendency on his part toward asking special concessions for himself, for his territory, or for his customers. It should be noted that this tendency was revealed by his answers to the objective test questions, and not through an interview or through a study of his methods. Based on this direct observation, the Vice President in charge of Sales decided "from now on, Smith will sell straight units at straight discounts and in the regular way, or else—."

Results

This message was given to Salesman Smith. To convince him that they meant business, some of his special deals were rejected by the company. He was warned that continued setting up of special deals would lead to his dismissal. Knowing this, Smith began to use his real sales aptitude. He told his customers the exact position he was in and used his sales personality and sense of humor to bring them in line. Though he never really lost his tendency for seeking "special concessions," and while he still requires more supervision than most salesmen, he has begun to develop some warm human relationships in a troublesome territory—and his company is profiting by it.

Is Klein Always Right?

The answer, of course, is no. But several large companies have worked with him long enough to report statistics of their experience. One large firm states that the Institute is 80% accurate in predicting success, and 72% accurate in predicting failures. Another firm reports that 95% of the salesmen recommended by Klein have turned out successful. Increasingly, the Institute's clients are discovering that their turn-over ratio of aptitude-selected salesmen is considerably lower than on men hired by old rule-of-thumb methods.

For More Information

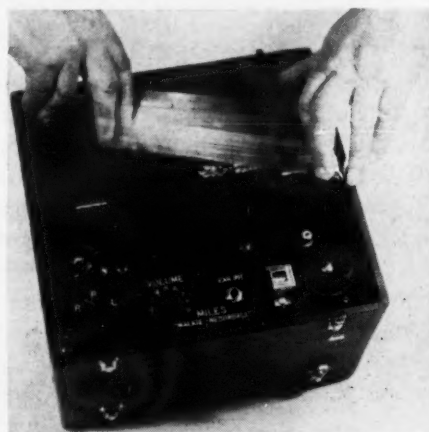
Circle No. 76 on the reader reply-card to receive three booklets describing the basic principles of the Institute, detailing the aptitude testing method, and discussing orientation and sales load adjustment of salesmen.

applications & ideas

Portable Dictating Machine works on batteries

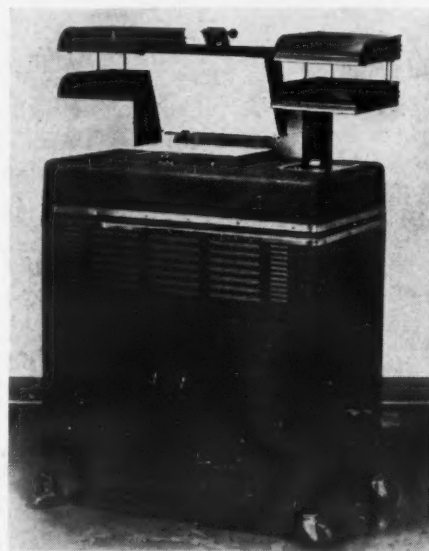
This self-contained unit weighs only nine pounds, including its six flashlight batteries which will last for 100 working hours. Also included in the overall weight is a "B" battery good for 350 working hours. Recordings are made on film bands with a capacity of four hours on each face. The bands are easily mailed and filed. Usable for either recording or reproducing, the unit will take audible speech within a radius of 40 ft. For on-the-spot recordings (by an insurance investigator or a market research interview), the unit has excellent possibilities.

For more information: Circle No. 82 on reader card.



High speed reproduction of original copy

If you have frequent need for fast copies of letters, reports, or briefs, here's a new and different method of making copies by heat. The machine illustrated,



using special paper, eliminates the need of negatives, chemicals, fixing or drying. The entire copying operation takes 15 seconds, and will reproduce material up to 8½ x 14 in size at a cost of 4¢ to 5¢ a copy. The copy must be in black and white printing, or in black ink or pencil. An attorney, for example, could probably amortize its initial cost of \$525 in a fairly short time if he does any volume of photostating.

For more information: Circle No. 83 on reader card.

New low cost automatic folding machine

A new, low cost Folder has just been brought on the market by a major office equipment manufacturer. If your company mails any considerable amount of letters or advertising folders, it offers a change for considerable clerical savings. Adjustments for different sizes of paper, or for different folds, are made by simple alphabetical settings. Included are: single folds, parallel letter folds, double parallel folds, accordion or statement folds, French folds, and horizontal with two vertical folds.

For more information: Circle No. 01 on reader card.



If you do heavy statistical typing

A new kind of typewriter ribbon makes it possible to turn out erasure-free reports in spite of inevitable typist's errors. By using a liquid eradicator with this special ribbon errors can be made to vanish completely. The correction operation takes but a few seconds.

One world wide sales organization produces monthly statistical reports on a 30-inch carriage electric typewriter using this ribbon. Since no erasures are permitted on the original copy, they have cut down on painstaking retyping to an amazing extent. The rib-

applications & ideas



bons are available in black, black and red, and blue for all standard makes of typewriters.

For more information: Circle No. 85 on reader card.

Automatic stapler speeds clerical operations

Stapling can be a time-consuming and nerveracking operation. If you do any volume of fastening of reports, briefs, bulletins, price books, or invoices, an automatic machine will save you money.

This new fully automatic electric stapler operates on a contact principle that leaves both hands free for collecting and feeding. The stapling point is always visible, extremely important for rapid feeding and accurate work. The machine is portable, can be plugged into any outlet and weighs only 12½ pounds.

For more information: Circle No. 84 on reader card.



A revolutionary new method for making dry photocopies

A new invention by a Chicago manufacturer makes it possible to produce dry photocopies of anything almost instantly—without slow developing, fixing, washing and drying. A finished copy can be made in less than 30 seconds. It's compact—occupying no more space than a typewriter. It is extremely flexible. There are no limitations as to type of papers, docu-

ments or originals that can be copied—regardless of whether the original is printed on one or both sides or on opaque or translucent paper. It eliminates the necessity of making intermediate copies of opaque originals. In normal office use, even an inexperienced operator can produce a minimum of 100 copies per hour. The unit is especially designed to handle letter and legal size copies as well as larger copies up to 11 x 17 inches. A free illustrated booklet describing the equipment in full detail is being offered by the manufacturer.

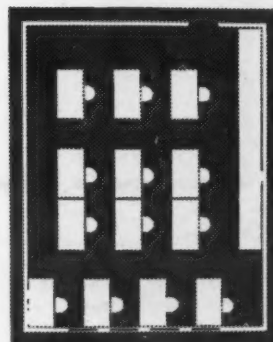
For more information: Circle No. 88 on reader card.



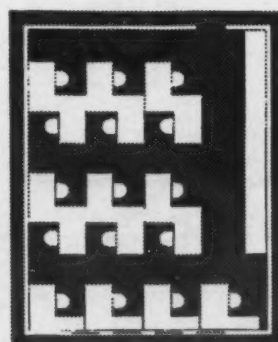
Increase number of clerical work stations in same space

In the "Before and After" drawings below you can see how sixteen clerical workers can be placed in the same space occupied by thirteen—using modular furniture. This clerical pool had been using conventional desks. Modular units increased the space potential by 23%, without sacrificing efficiency or crowding personnel. What's more, the four supervisory workers at the bottom of the illustration have been given semi-private units, and increased desk-top space, in the same floor area. See page 20 of this issue for more information about Modular Furniture. For a detailed booklet circle 90 on the reader reply card.

Before



After



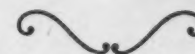
Free booklet on burglary insurance rates

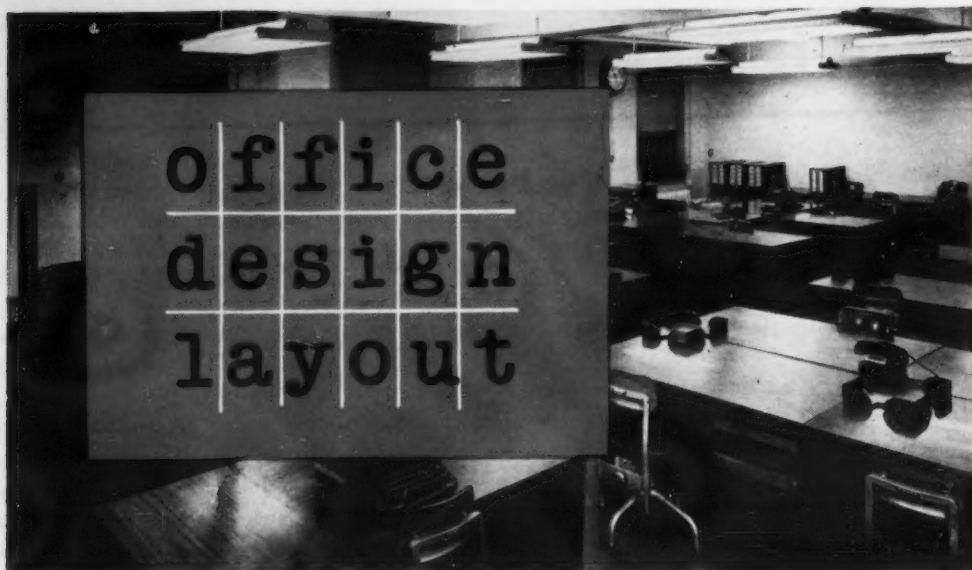
Charts illustrating how some firms can reduce their safe burglary insurance premiums as much as 70 per cent are contained in a booklet on insurance rates and safe classifications now being made available to management without cost. The 16-page illustrated booklet includes a condensed version of the Insurance Manual of Safe Classifications. It illustrates and explains the meaning of 22 labels applied to various kinds of fire-resistive safes, insulated record containers, vault doors, and burglary-resistive money chests by Underwriters Laboratories, Inc., and the Safe Manufacturers National Association. Also presented are explanatory charts showing the direct relationship between each kind of safe and the cost of safe burglary insurance.

Because, the proper type of burglary-resistive money-chest can save up to 70 per cent of the mercantile safe burglary rates and up to 50 per cent on money and securities broad form insurance premiums, business firms throughout the nation lose a fortune each year because they rely on a fire-resistant safe for burglary protection instead of a burglary-resistive money-chest.

For more information: Circle No. 91 on reader card.

**When something
has been done a particu-
lar way for 15 or 20
years, it is a pretty good
sign, in these changing
times, that it is being
done the wrong way.**





Is your office OVERCROWDED?

MODULAR FURNITURE CAN PUT 10 WORK STATIONS IN
THE SPACE OF 7—AND INCREASE YOUR PRIVACY TOO

Keep Up With Tomorrow. Unless you own your building, masonry partitions don't belong to you. That was reasoning of major chemical manufacturer with eye on flux, flexibility, costs. Now manufacturer can enlarge, decrease, rearrange areas as often as required.



If you're squeezed for office space, modular furniture may be your fastest and cheapest way to find more room. Certainly it's less costly than renting more space—particularly in an urban office building. For the company lacking even this chance for expansion, it may be the *only* answer.

But the space-saving feature is not the only virtue of modular furniture. Its extreme flexibility permits the proper arrangement of office work stations to speed the flow of paperwork. People who work together can literally sit together. Traffic between stations is automatic—just a matter of dropping papers into the next work station's "in" basket. Changes in arrangement can be made since modular units are not fastened to walls or floors.

NO STRETCH, NO STRAIN

Basically, modular furniture consists of an L-shaped desk top and added drawer pedestals, with partitions

attached to desk when necessary. Together they form an efficient unit that brings every inch of the work station within arm's reach. The drawer arrangements are infinite and completely interchangeable. Each station can be supplied with the exact components that will best serve its function.

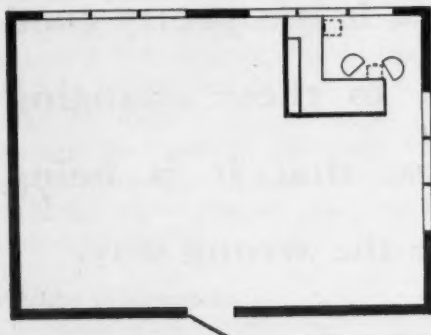
A work station can be structurally self sufficient or can be attached to other stations in multiple units—as in a stenographic or clerical pool. In the case of the executive who requires privacy, sound-retarding modular partitions can be provided.

Integral fittings are available for lighting fixtures, and wiring for electrically operated business machines.

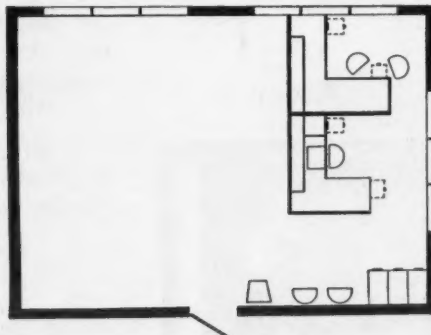
DON'T BUILD PERMANENT PARTITIONS

For some companies the partitioning factor may be a principal consideration in adopting modular furniture. The cost of building permanent walls is high and, in the case of a company which does not own its

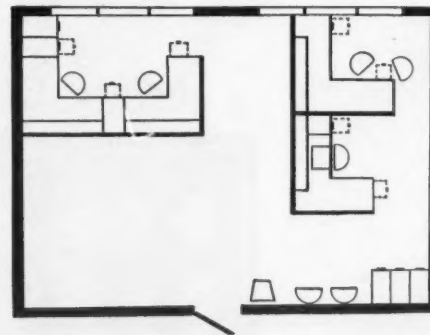
HOW TO PLAN A MODULAR OFFICE



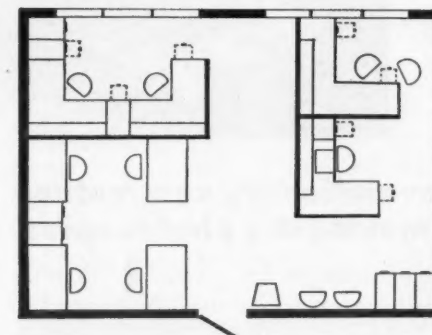
A manufacturer's branch office is 25' x 18'. The Manager is placed first. He requires plenty of surface working space, partitions for privacy, plus two files (dotted lines).



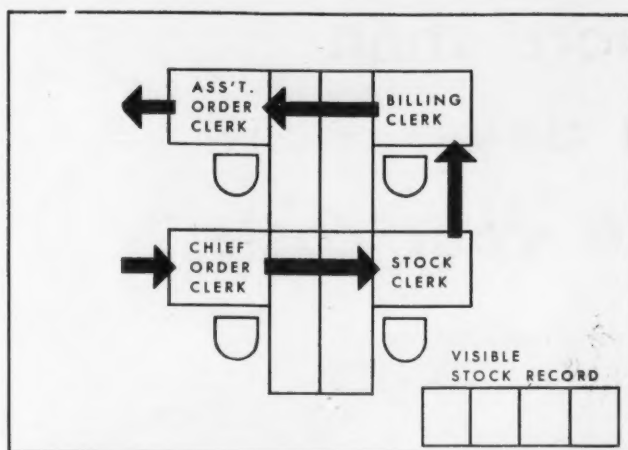
His secretary is next located close to his desk. She also acts as receptionist so is located near the door. The general files in the corner are close at hand.



The telephone order clerk and the inventory clerk work together and must be able to communicate easily. Files, both visible and vertical (dotted lines) are within reach.



The four salesmen are in and out all day, so are located near door. Four old desks on hand are refinished and used since a modular arrangement is unnecessary.



SIMPLIFIES WORK FLOW. 1. Chief Order Clerk checks orders for credit, price and costing. 2. Stock clerk deducts stock, orders warehouse replacement from factory. 3. Billing Clerk types warehouse order, customer billing forms. 4. Assistant checks orders and, after warehouse has shipped, sends out bill.

own building, a doubly expensive proposition. When the walls are permanent, they become the property of the building management. Moreover, some unscrupulous owners reserve the right to build the walls themselves and charge the tenant exorbitant rates.

While it is true that the partitions provided with modular furniture do not offer the same degree of privacy as a floor to ceiling wall, for many practical purposes they are just as satisfactory. In addition, they provide management with a low cost means for building the morale—and increasing the efficiency—of lower-echelon supervisory people by giving them “private offices.”

IS MODULAR FURNITURE EXPENSIVE?

Prices will vary depending upon the components selected for a given work station. By and large, modular furniture compares favorably with similar high quality conventional furniture.

The unit-cost per working station will be lower when two or more units are adjacent, since each station shares a partition with the next.

It is important to remember, however, that unit cost should be the last consideration. Savings in space, time, and in inflexible wall investment, will decide whether the cost is high or low.

Several major manufacturers are marketing modular furniture. While all operate under the E. I. du Pont de Nemours & Company patents, there is considerable difference between manufacturers in the flexibility and variety of standard components. In these days, delivery may be your first consideration in selecting a supplier. Certainly the ability of a supplier to assist you in planning the arrangement of modular furniture should be a factor.

If your problem is one of needing more walls or partitions, see METHODS, November 1951, page 26, “Answer to Changing Needs for Office Space.”

BEFORE AND AFTER Microfilming

HOW TO COPE WITH NON-CURRENT RECORDS



BEFORE When Dealers Tractor & Equipment Co., Memphis, Tennessee, revised its accounting system, it took a searching look at its method of handling non-current records. Old bills, invoices, orders, checks and correspondence had accumulated in

such staggering quantities that an entire room and a vault had to be set aside for them. The firm, reluctantly planning to build another room to store even more, decided to try to do something more positive about the situation.

AFTER With the installation of microfilming equipment, the company found their record storage problem had disappeared. Instead of occupying thousands of cubic feet of valuable operating space, the company's old records are now kept neatly in the three small drawers shown

in the background of this photograph. What's more, they now can find any given record they need when they need it. So successful was the microfilm installation that the company bought a second microfilm reader to be used by a subsidiary firm.



Don't Walk... *TALK!*



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**Saves steps, increases
output, cuts costs!**

Compute the cost of time wasted by executives and employees running back and forth. *That's how much* the NEW Executone Intercom can save you! Your voice—with lightning speed—gets information, gives instructions. Your employees accomplish more, too, with inter-departmental communication. "Inside calls" no longer tie up telephone lines. Office and plant operate at a new peak of efficiency!

**Years ahead of its time
in operation and design!**

"CHIME-MATIC" Signalling announces calls with a soft chime and signal light, saves time on every call. New switching circuits for every need make new savings possible. Voices are clearer, distinct, instantly recognizable. Inexpensive 2 station system easily expanded. See it—no obligation. Just mail the coupon.

Executone

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COMMUNICATION AND
SOUND SYSTEMS

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415 Lexington Ave., New York 17, N. Y.

Without obligation, please let me have:

- ☐ The name of your local Distributor
☐ Complete descriptive literature

NAME.....

FIRM.....

ADDRESS.....CITY.....

method
of the
month

If you write more than 100 invoices a day better examine your costs

It Pays to Look for "A Better Way". Here's Proof.

One Clerk Does the Work of 7

The Strevell-Patterson Hardware Company, in Salt Lake City, is a leading wholesale hardware firm in the West. With 31 fulltime salesmen, the company stocks and sells more than 60,000 items. By introducing a new system of invoicing directly from salesmen's order sheets, this company has not only saved thousands of dollars in clerical costs, but materially improved the speed of their invoicing and back order handling.

TO FULLY APPRECIATE the great increase in productivity this new invoicing system can claim, it is necessary to understand Strevell-Patterson's old method. Actually, there was nothing wrong with the old procedure. When a salesman wrote an order, he mailed it in to the home office and a billing clerk prepared invoices from this data. Since customers required from one to five invoice copies, the creation of duplicates by manual copying was a slow and tedious operation. Seven clerks were required to handle the job, and they could produce only about 800 invoices a day, an average of 110 per biller. Thus the entire invoicing job was slowed down to the typing speed of a billing clerk and, with inevitable transcription errors, incorrect invoices resulted in frequent customer dissatisfaction. Back ordering produced additional peak load difficulties.

Productivity Up 900%

The installation of a simple white-print copying machine, plus a new set of procedures, completely changed

the picture. Instead of seven clerks, now only one clerk processes more than 1000 invoices each day—with plenty of time left over for general billing and filing work. Transcription errors in copying are completely eliminated. The overall cost of the operation has been so drastically slashed that the cost of the white-print equipment was amortized almost as soon as it was installed.

Under the new system, invoices are reproduced directly from the salesmen's orders. The salesmen prepare their orders on a 3-part form, the first part of which is printed on translucent paper. Salesmen's entries can be made with pen, pencil, or type-

writer. A double-faced carbon paper is used which provides a carbon-backed original for better contact reproduction, and a carbon duplicate for a packing copy.

Orders are processed in the normal manner through credit, order auditing, order filling, and shipping. All shipping information required is stamped on the translucent form in blue ink. Since blue ink will not reproduce on the copying equipment, it does not appear on the customer's invoice.

Orders go to the Billing Department, where items are extended and totalled in pencil; the salesman has already posted the price. At this

This is Strevell-Patterson's invoice form. The section at the left is omitted on the customer's copy since it is for office use only.

REC'D WAREHOUSE				STREVELL-PATERSON HARDWARE COMPANY				Nº 43926			
P. O. BOX 1048				Intermountain Wholesale Distributors				SALT LAKE CITY 10, UTAH			
TELEPHONE 4-6461				DATE SOLD				SOLD TO			
CREDIT				TERMS				INVOICE DATE			
WHEN SHIP				HOW				VIA			
1	AMOUNT	NOTES	QUANTITY ORDERED	UNIT	DESCRIPTION	QUANTITY SHIPPED	UNIT	LIST PRICE	TRADE DISCT	NET PRICE	EXTENSION
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
Total											
SPECIAL INSTRUCTIONS				<input type="checkbox"/> BACK ORDERS <input type="checkbox"/> OUT OF STOCK, CANCELLED <input type="checkbox"/> INVENTORY				<input type="checkbox"/> WILL SHIP DIRECT TO YOU FROM FACTORY <input type="checkbox"/> ON NEW PRICE			
CLAIMS FOR SHORTAGE MUST BE MADE UPON RECEIPT OF GOODS.				THIS IS YOUR INVOICE				MERCHANDISE TOTAL SALES TAX PARCEL POST AND INSURANCE PAY THIS AMOUNT NOTE: SEE LAST SHEET FOR GRAND TOTAL OF INVOICE			

applications & ideas



One clerk handles all invoicing mechanically

point, each order is marked to indicate the number of invoices required by the customer.

The translucent order forms go directly from the pricing clerk to the Billing Department, where the reproducing equipment is located. In producing the necessary copies, customer invoice copies are made on blue and yellow paper, and an accounting copy is reproduced on blue lined paper for easy identification.

The salesmen's order blank forms are 8½" x 11". The accounting copy is a full-size duplicate, while invoices are reproduced on 8½" x 9" paper, leaving off the section provided for internal office use.

Back Order Handling Is Simplified

Difficult in any order handling system, the reproducing equipment also assists in handling back orders. When the new system was first introduced, less than 2% of the total orders were back ordered. The small amount of additional paperwork was easily handled by the single clerk processing invoices.

At present, however, because of increased production and material shortages resulting from a defense economy, approximately 10% of the total orders received are back ordered. The increase in back orders requires one additional clerk to prepare them.

Back orders are prepared on a 3-part form like the Salesman's order set, having one translucent sheet as the original. Whenever the material ordered becomes available, the back order is processed as previously described for regular orders. The translucent original becomes the master from which the invoice and accounting copies are reproduced.

For more detailed information on the above system, please Circle No. 78 on the reader reply-card.

Central recording for on-the-spot dictation

If you employ highly-paid specialties who must make regular written reports of their activities, the following experience of a Nebraska hospital may be of value. The medical staff was conscious of the fact that their patient history records were inadequate. Reporting was erratic and sketchy. The time and effort required for manually writing records was so great that necessary detail was omitted. A solution was found through the installation of four mechanical recording stations convenient to the doctors' centers of activity. They may dictate at any time simply by picking up a "receiver" which feeds into a Central Recording devise. Uninhibited by the need for manual effort, the staff record on-the-spot while information is fresh in their minds.

For more information: Circle No. 89 on reader card.

Punch and reinforce loose leaf sheets simultaneously

If you use loose leaf records, for salesmen's price books or for internal office use, you know how frequently sheets will tear loose. Reinforcing loose leaf holes is a painstaking and messy job. With this new machine, you can not only punch blank sheets to fit your binders, but simultaneously reinforce the holes with

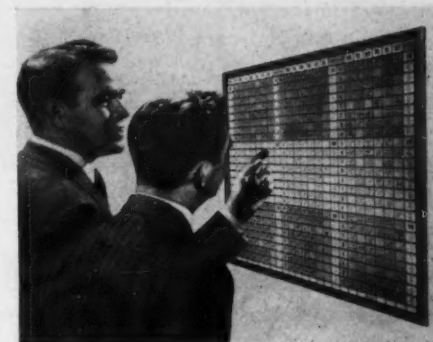


strong adhesive-back tape. If no reinforcement is necessary, just press a little lever and the machine can be used as a simple punch. Prices start as low as \$14.50.

For more information: Circle No. 80 on reader card.

Visual control board graphs competitive advertising

A Visual Control System which graphs the nation wide promotional activity of all margarine manufacturers helps the Grocery Division of Standard Brands to plan their own sales promotion campaigns. A board like the one shown below shows the 75 major markets and the day by day efforts of the competition. There is a card to represent each company in each area. As in-



formation is received from Standard Brand salesmen and dealers it is immediately posted. Their representatives in the field send in regular reports on special forms giving detailed information about advertising, promotions, and sales of all brands of margarine.

Before adopting a visual control system the reports were kept in loose leaf books. The new system makes the information 100% visible, thus enabling the company to get a picture of the nation-wide situation at a glance. A time saver for executives, it is also a valuable tool in conferences.

For more information: Circle No. 87 on reader card.

High speed production of addressograph plates

A new machine makes it possible to almost double the cutting speed on addressograph plates. Here's how it works: a typist, using a Teletype Tape Perforator or a Flexowriter, turns out a perforated tape with the information to go on the actual plates. She can write 225 an hour. Next, she runs the tape through a graphotype machine which produces 150 plates an hour. Usual speed on a graphotype unit is about 70 to 100 plates an hour. Best of all, one operator can handle a full battery of machines, and it's possible to type the tapes in your office or at any other outlying point and send them in to a central addressograph operation.

For more information: Circle No. 86 on reader card.

Salesmen's Cars: to rent or own?

The more complex plans for reimbursing salesmen for use of their cars are likely to be an administrative headache. On the other hand, simple flat rate payments create dissatisfaction among the men. To escape this dilemma, many firms are checking into the advantage of buying or leasing cars.

The primary advantage of fleet operation is low cost—as little as 4.5¢ a mile. Hired fleets run 1¢-2¢ more. Firms using these methods also report the following benefits:

... *Easier to recruit and keep good personnel:* Often a sales manager will find a good man, only to learn that he hasn't a car. In a tight labor market, the offer of a company car can be an important advantage in hiring.

... *Well-maintained equipment:* Loss of salesman's road-time because of neglected cars is kept to a minimum.

... *Allowance problems are eliminated:* Company payments, no matter how equitable, breed salesmen gripes.

... *Better territory coverage:* Companies which have switched over from salesman-owned cars find their men less reluctant to move into tough terrain.

Buy or Lease?

1. *Company ownership may be less expensive than fleet rental.* The saving over leasing can range as much as 1¢-1½¢ a mile, depending on the efficiency of fleet management.


Observation: A typical fleet hire plan for a small fleet (5-25 cars) would cost \$70 per month per unit. This includes full maintenance, fire, theft and collision insurance and auto license fees. The hiring company pays gas and oil, property damage and bodily injury insurance fees. The usual contract runs for a year and is not cancellable within the period.

2. *Leasing simplifies record-keeping.* Company ownership puts a greater premium on proper maintenance, which can be achieved only with a good follow-up system. The accounting load is increased by depreciation adjustments, numerous individual bills, arrangements for purchase and sale of cars. When fleets are leased, much of this is done by the outside company.

Observation: In considering this factor, note that many fleet owning companies avoid this burden by turning repairs over to an outside firm.

3. *Combination lease-management plans* combine the merits of both. Peterson, Howell and Heather, a Baltimore fleet leasing and management consultant firm, has developed a plan which attempts to bridge the gap between company ownership and the typical lease arrangement. They will buy the kind of cars the company wants and lease them at a rate of 1% of the purchase price per month as a service and management fee. They also collect 2% per month for depreciation reserve. The difference between the actual depreciation and the reserve is credited or debited when the car is sold. All expenses of operation and maintenance are paid by the company running the cars. Management of the fleet is handled by PHH. Records are set up and analyzed and monthly reports are sent to management for cost analysis. Figuring the acquisition cost of a car at \$1,500, the fee paid for the management service comes to \$15 per month. *Excerpted from the December 11, 1951 Distribution Report of the Research Institute of America.*

FINANCIAL

thought  starter

If you are the "Key Man" in your company your life ought to be insured

by Hubert Gerstman,
Chartered Life Underwriter

At times stockholders demand it; the smaller the business, the more it's needed

DURING THE LAST fifteen years, Key-man Life Insurance has become quite common in the United States. Certain inherent tax advantages have helped its growth. The increased need for an adequate retirement program for key executives has also been contributory. While each of these considerations is important, they are secondary to the basic advantages of the insurance itself—protecting the company against an irreparable loss.

WHAT IS KEY-MAN INSURANCE?

This type of insurance is always owned by the business organization, generally a corporation, and the corporation is generally the beneficiary as well. The simple purpose of the insurance is to indemnify the corporation for the loss of a key man, usually an officer of the corporation. One of the most prominent insurance men in the country, John O. Todd, C.L.U., has defined and categorized this type of protection in the following way: "Key-man Life Insurance is nothing but educational insurance for the junior officers of a corporation."

In other words, if a corporation intends to continue in business for a long period of time, it must anticipate the probable loss in income that the death of a key-man will almost always produce. This cost can be measured in terms of the amount of money that the corporation feels it will need to train a replacement to carry out his predecessor's duties equally as well. In even the largest corporation, this cost can be sizable. In smaller businesses, when it is often necessary to go outside the company to hire a

replacement, the proportionate cost may be even greater.

HOW MUCH IS A KEY MAN WORTH?

The most common question asked of life underwriters with reference to Key-man insurance is the amount of insurance that should be placed on the life of each executive. With most corporations the amount is arbitrarily determined. As far as insurance companies are concerned, however, they prefer not to issue any more insurance on the life of an executive than five times the insured's annual salary. That means that if the executive is making \$20,000 a year, very few insurance companies are willing to grant Key-man insurance, to be owned by the corporation, in excess of \$100,000.

The type of insurance generally sold is Ordinary Life, and this is so for several reasons. First of all, most corporations insist on having some type of *permanent* insurance simply because of the cash reserves. Secondly, there are tax advantages in having permanent insurance. Along the same lines, there are corporations which buy Key-man insurance on the Retirement Income plan, another permanent type, because the corporation wants to retire the same executive with the same policy that protects against his death.

Since the retirement aspect of this type of protection is a part of another field called Deferred Compensation, it should not be considered in the purchase of Key-man insurance unless a corporation plans to offer a particular executive additional retirement benefits, over and above any

WHO BUYS "KEY MAN" INSURANCE?

In 1948, the University of Illinois surveyed 580 independent businessmen, in seven cities, about the need for life insurance in their business. They discovered that there was an almost unanimous conclusion that men who had been actively solicited for this type of protection had a clear recognition of its need. In other words, once a businessman had its value pointed out to him, he was "sold."

plan they may now have in operation.

THE PROTECTION ASPECT

From a protection viewpoint, Key-man insurance is an excellent investment. It tells the public that a corporation wants to *stay* in business. It tells the public that the corporation intends to pay its obligations to its creditors in any eventuality. It tells the public that the corporation sets a high value on certain key executives—an excellent justification for the high salaries they may be paid.

Recently a new corporation was formed by two men highly trained in their particular field. In seeking venture capital, the first three potential investors they called on mentioned the fact that their plans were good only if each of the principals was alive and well. To facilitate the acquisition of further capital, the two men consulted a life underwriter and had themselves insured, in the corporation's name, for the amount they were seeking from outside investors. This protection not only assisted them in obtaining the money required, but immediately improved the corporation's credit rating.

With the protection benefits offered by Key-man insurance, also go all of the other flexible advantages of personal life insurance. A corporation should realize that the reserves that it is accumulating in a given policy are a current asset. The corporation should realize that it can borrow the premiums on the policies that it has on the lives of its various executives because, after a few years, there is generally enough reserve in the policy.

THE COST OF KEY-MAN INSURANCE

Premium rates are the same as for any

personal life insurance. The actual cost, however, will seldom run much more than 2% of the annual premium that is required. It should be remembered that after a policy has been in effect for about twenty years, its cash value is about the same as the required net premiums. The corporation is out-of-pocket only for the interest on its money.

THE TAX ASPECTS

Several advantages accrue to the corporation. For one thing, any monetary excess of death payment over premiums is not subject to either income or personal estate taxes. Also, accumulating cash values are not considered reportable income while they are accumulating—nor are they so considered under excess profit tax rules. If, however, a policy is cashed or matured while the insured is still living, and the value received exceeds the premium payments, then the gain is income to be reported for income tax purposes. If the values are received in a lump sum, the excess is taxed in the year received. If the values are paid on a limited installment basis, then there is no tax until the original investment is received.

It should be remembered, of course, that the "no reportable income at death" rule applies only if the employer has always owned the policy. If the concern has bought, or otherwise taken over, an existent policy on the life of the insured, gains over the total of purchase price and subsequent premiums paid by the concern are reportable income. This rule does not work both ways. That is, if the insured subsequently acquires a policy originally taken out on his life by his employer or anyone else, there is no reportable income on death payments.

Another observation of importance is that any premium payments made for Key-man insurance are not deductible for Federal Income Tax purposes. By the same token, the corporation should be aware that the proceeds are not taxable as income at the employee's death, assuming that the corporation has always owned the policy in question. In short, the insurance is so fairly treated by tax law that any change in the tax law could only be for the worse. Tax benefits can be changed overnight, however, to become tax penalties. This should be recognized before any purchase of Key-man insurance for tax considerations only.



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Circle 57 for more information

methods / 25

Don't knock wood

If you bought much wood office equipment during World War II, you're probably a poor prospect for any dealer or salesman who tries to sell you more of the same. Last time, when steel got tight, a lot of businessmen like yourself bought wood equipment as an alternate. You bought in good faith. A wood filing cabinet, for example, looked exactly like a steel one, and on the display floor performed just as well. The shock came about six months later when the files began to warp and the drawers began to expand. If you were unlucky enough to be located in a moist climate, it didn't take six months.

Now we're fast approaching the point where you may be obliged again to buy wood equipment—or do without. While Washington has generally recognized the essentiality of business equipment in our overall production pattern, particularly for machines, it takes a dim view of the need for steel in larger units such as filing cabinets, desks, chairs, and tables.

Caveat Emptor

During the last sixty days, METHODS has been "sampling" various office equipment manufacturers relative to their plans in case of a complete steel shut-down on their products. Several encouraging facts have come to light. For one thing, manufacturers are conscious of their mistakes during the last war and are doing something about them. Two, important advances have been made in wood-base materials. Third, wood is being "rediscovered" as a first line material, rather than a substitute.

But the buyer must still be careful. For that reason, we have outlined below a few facts to keep in mind in purchasing wood equipment.

Things to Look For

Don't think of wood as a "substitute" for temporary use. That kind of an approach leads to "price" buying, and you may well end up with an inferior product. Just as steel equipment is fabricated in various qualities, so is wood available in first, second, and third rate construction. In both cases, it pays to buy the best if the equipment is to be subjected to continued use, and if you hope to amortize it over a long period of years.

Quality will reflect itself in several ways—not all of which are apparent. One thing you can look for is working parts made of steel. On a filing cabinet, for example, it is preferable to have a drawer suspension

made of metal. A few major manufacturers have been combining the two materials in this manner for years.

Another feature to look for is the use of "densified-wood" for furniture components that are exposed to excessive abuse or extraordinary impact. It's used, for example, on the front surfaces of filing cabinets and on the inside wells of office desks. Most manufacturers who incorporate this material in their products emphasize it in descriptive literature because of its high cost. It will pay you to ask for it and assure yourself that you're getting it. The densification process, a combination of heat and pressure, rearranges the wood fibres in a more dense mass, with exceptional surface hardness. It's much more than a mere mechanical compression, however, for it does not affect the dimensional stability of wood when it is later exposed to moisture. Densified wood does not swell or shrink. It is almost impervious to impact or marring. Its resistance is 27 times that of ordinary hard wood.

Inherent Advantages of Wood

In a day when all businessmen must be conscious of the need for fire-resistant equipment for records, it's interesting to note that wood equipment actually offers more fire protection than steel. Of course, wood will burn and steel won't. But wood is slow to transmit heat, and while it may scorch in the average office fire, it often brings its records through unscathed.

Libraries, and certainly they buy for *permanent* use, have always used wood. They have found wood card filing equipment to be quieter in use. They have found maintenance costs to be moderate. They feel wood is "warmer" to the touch—an observation that has been seconded by many office workers.

It all boils down to this—a little care in buying, and a little knowledge of modern manufacturing processes, plus general reliance on brand names of long standing, will assure the purchaser of good craftsmanship, good materials and honest products.

* * * * *

ABOUT THOSE POSTCARDS YOU'VE MAILED US

Within the first ten days after the November issue of METHODS went in the mail, we had received over 1200 inquiries from readers like yourself. In addition, we have been getting quantities of personal letters with various requests for more information.

All of this mail is going to be answered—but it will take time. To help us serve you better, we would appreciate it if you will circle a number on the reader reply-card, whenever possible, instead of writing a letter. This will assure you of much faster response.

What Are Readers Asking About?

We think you may be interested in what businessmen, like yourself, found most interesting or provocative in our first issue.

Thus far, the article about Paul Mulligan's techniques in clerical time-study (*Your Office is Overstaffed*) has been the subject of about 1/3 of our mail. Those of you who have written us letters have been most interested in the article on *Increased Clerical Productivity*. A very logical conclusion can be drawn from these two facts: Increasingly, American business is being squeezed by the manpower shortage on one hand, and the need for greater paperwork output on the other. With that in mind, we will emphasize, in future issues, case history stories that offer a solution to this need. There's one on page 9 of this issue, and another on page 22.

Next highest in inquiries to date has been the story on "How To Keep Your Desk Uncluttered." Next to that comes the story on *Movable Wall Partitions*. Those of you who found this latter story to be of particular interest, will do well to read the story on modular furniture on page 20 of this issue.

On the postcards that have been coming back, you have been requesting an average of 2.2 items per postcard. In a few cases, a reader circled every single number on the card! We've returned cards like this to the sender—on the theory that some prankster may have been trying to inundate him with mail. Don't think that doesn't happen. A few years ago, a man was obliged to go to court to stop his estranged wife from putting his name, with a request that a salesman call, on every coupon she found in a magazine.

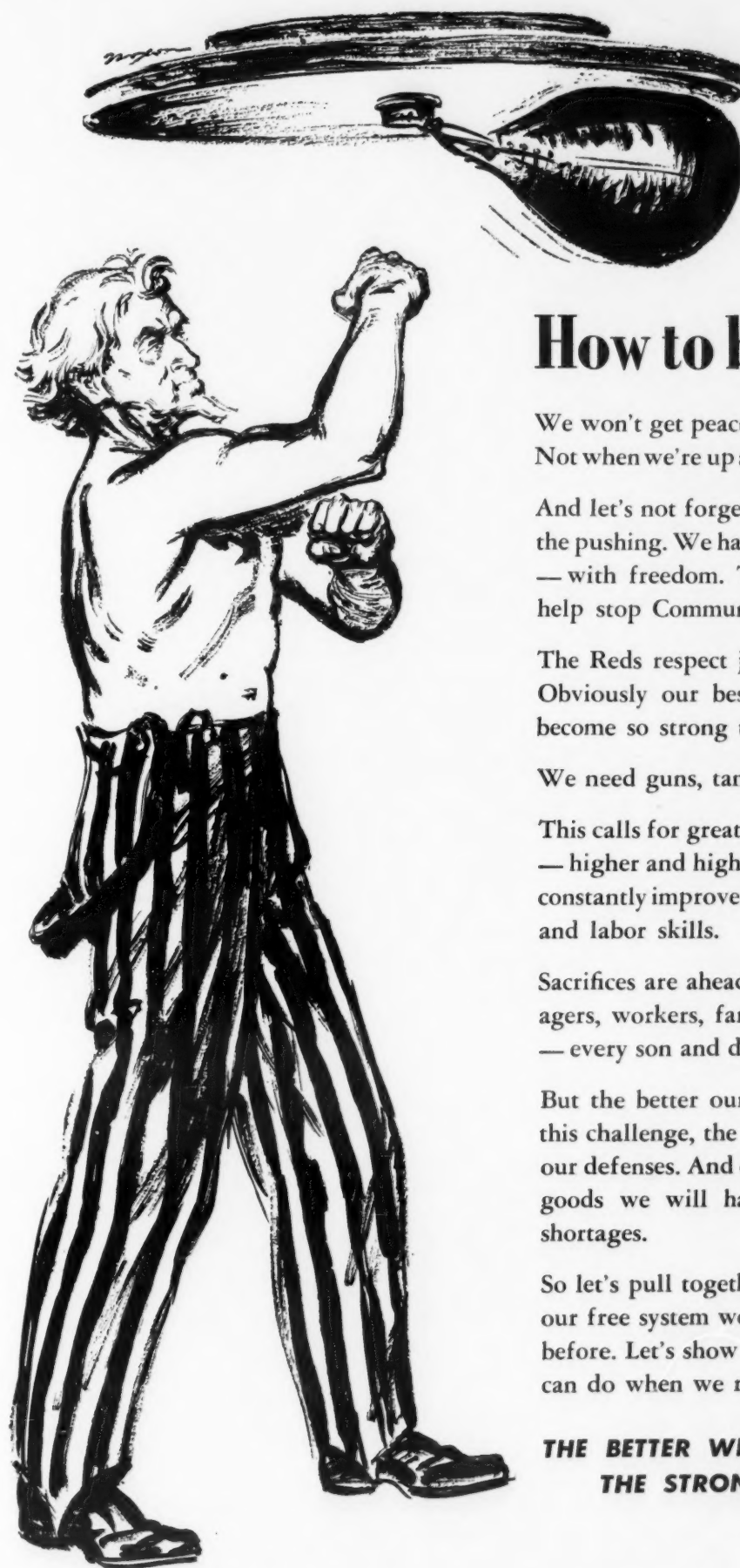
Who's Writing Us?

Here's an analysis of the first 100 additional information requests resulting from the editorial feature "Your Office is Overstaffed."

- 19 were from Corporate Officers
- 4 were from General Managers
- 34 were from Financial Officers
- 1 was from Sales Management
- 2 were from Production Management
- 1 was from a Purchasing Official
- 16 were from Methods Directors
- 23 were from Office and Personnel Management

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How to beat a bully

We won't get peace by being pushed around.
Not when we're up against Stalin and his gang.

And let's not forget it's the Reds who started
the pushing. We have always striven for peace
— with freedom. That's why we must now
help stop Communist aggression.

The Reds respect just one thing — strength.
Obviously our best chance for peace is to
become so strong they won't dare attack us.

We need guns, tanks and planes, *fast!*

This calls for greatly stepped-up productivity
— higher and higher output per man-hour —
constantly improved power machines, methods
and labor skills.

Sacrifices are ahead for us all—owners, man-
agers, workers, farmers, professional people
— every son and daughter of Uncle Sam.

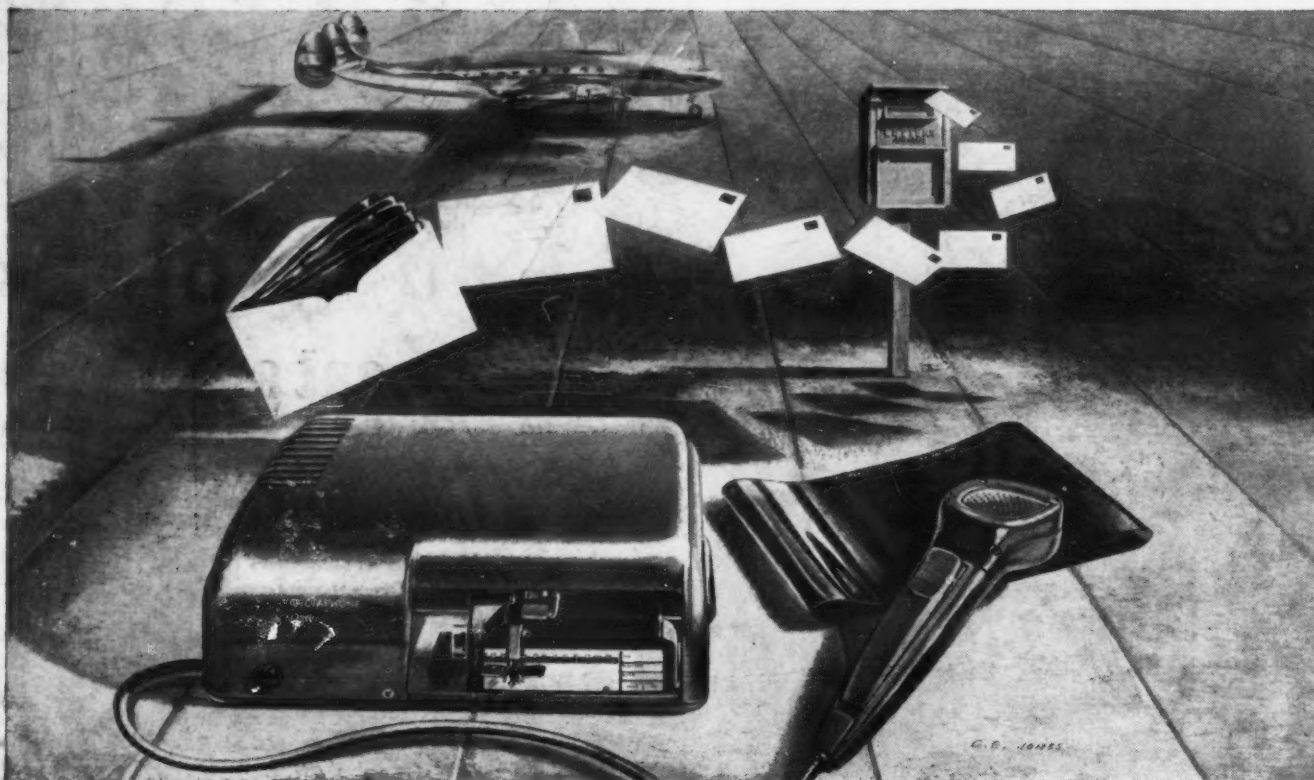
But the better our productive system meets
this challenge, the sooner we will strengthen
our defenses. And of course, the more civilian
goods we will have — the fewer needless
shortages.

So let's pull together — all of us. Let's make
our free system work as it has never worked
before. Let's show the world what Americans
can do when we really try!

**THE BETTER WE PRODUCE
THE STRONGER WE GROW**



This advertisement was approved by representatives of management, labor and the public.



NO DICTATING MACHINE IN HISTORY EVER PROMISED SO MUCH!

And its performance lives up to its promise!

The Dictaphone TIME-MASTER definitely enables you to get more done, in less time, and at less cost! Just "think out loud" to the TIME-MASTER! It will help you do better work, increase office efficiency!

An electronic "thought trap," the TIME-MASTER is always there, ready in an instant to record your thoughts as they occur to you! No more ringing and waiting for a secretary! Just the flick of a switch and you can start talking!

The plastic *Dictabelt*, TIME-MASTER's unique *one-time* recording medium, accounts for the TIME-MASTER's compactness and complete portability, its unequalled fidelity of recording and reproduction. The *Dictabelt* is

so inexpensive to use that, after transcribing, you simply file it or throw it away! So small that 5 *at once* fit into an envelope!

The *new* TIME-MASTER weighs only 16 pounds . . . offers a wide selection of microphones . . . a new, instantly attachable typewriter hand control . . . the famous Magic Ear and a new full-toned headset . . . and other TIME-MASTER features.

And—your secretary will love transcribing with the TIME-MASTER's tiny Magic Ear that's light as a feather and won't muss hair!

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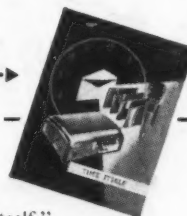
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Company _____

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